

Operator:

Good morning and welcome to this first conference of 2022.

Eduardo L'Hotellier, CEO and DRI
Lucas Arruda, Strategy Director
Cynthia Hobbs, CFO.

At this point, all the participants are connected just as listeners, and later on we are going to start the Q&A session, and then you are going to receive further instructions.

We would like to confirm that this teleconference is being recorded and translated.

Before moving on, we would like to clarify the declarations in this conference about the perspectives on business, estimates and operational and financial goals are based on premises of GetNinjas, and also on current information for the Company. Future consideration are not a guarantee for performance because they involve risks in the future, so they depend on future circumstances that may or may not occur. Industry conditions and other operational factors might impact the results and bring different aspects that depend on future considerations.

I would like to pass the microphone to Mr. Eduardo from GetNinjas. The floor is yours.

Eduardo L'Hotellier:

Thank you so much, and welcome. I am Eduardo L'Hotellier, CEO and founder of GetNinjas. Thank you so much for being Francis this 1Q22 results, on a very special day. We are turning one year since we rang the bell at B3, the first negotiations in GetNinjas.

Our business model connects professionals that are registered in more than 500 services provision in this platform, and clients that want to contract professionals. We are on the side of the professionals as a prepaid mode, they buy a package of coins and then contact the clients that they choose. And we have reached a 4 million base of professionals in our database, 207,000 are active professionals. We still have lots of room for improvement and have more professionals.

It is important to say that 78% are the current professionals, and 1.4 million clients request services, an advance of 8% compared to the last quarter. This is translated into net revenue, R\$15.8 million, aligned to the same period last quarter, gross profit, R\$14.6 million, and a margin consistent to the 2H, optimizing the marketing investments and our control on expenses, decreasing our loss to R\$3.7 million this quarter.

The cash burn reduced significantly, from R\$15 million in 4Q20 to R\$3 million in the 1Q22. All this evolution came from the improvement in the platform and the clients and the professionals that generated recognition, increasing our score in Reclame Aqui, Apple Store and Google play.

As I mentioned throughout the year, we have a database of 4 million professionals, 1.5 of these professionals were added in the last 12 months. A great part of the population needs to find new ways to communicate their work, and the digital participation using GetNinjas is an efficient and useful tool, bringing the investments concentrated to increase the density of professionals in categories and regions, ensuring the best use, then they have more professionals to hire.

In the 1Q22, we generated 232,000 new professionals registered. The 1Q22. Is a new season for GetNinjas, with higher focus on retention and monetization of these professionals. The amount of professionals that are active, the ones that contract leads, increased 47% compared to the 1Q21.

On this slide, we can see in the graph the increase of professionals and density translated in request of services sent by clients all over Brazil. We are a horizontal platform that is all over the place, present in more than 4,000 cities in Brazil, 70% of the national territory, and this geographic representation bring us reach in the name of the Company. We have grown in all the regions in Brazil through request of 1000 inhabitants in each region. This average doubles in all the capitals.

The request on services by the clients has grown 8% in the 1Q22 compared to the last quarter, more than 4 million requests. The categories that have been the highest volume are remodeling, repair, technical assistance, household services. These categories are more frequent in this market, with higher representativity in GetNinjas. Our objective is always to provide the best service to our clients, always working in different initiatives like capturing and activating clients and professionals, revising prices, optimizing the match between client and professional to ensure a healthy relationship between supply and demand. And it is important to say that 54% of the clients were recurrent already. They had already used the services before.

And now I pass the microphone to Lucas Arruda, Strategy Director, talking about the financial highlights.

Lucas Arruda:

Good morning. It is a great pleasure to be here with you. Here we have, for the first time, the composition of gross revenue, which brings more visibility to understand the evolution of our business.

Gross revenue was stable, levered by the retention of professionals. We see a different behavior in parts of this. The higher block, the leads, represents 94% of the total revenue and it was 11% higher compared to the 1Q21. This is the core business of the Company, the leads, and the professionals can see the information to contact clients.

We would like to say that this is the main business of the Company and it is growing, and the revenue was sideways because we had expiration. The professionals buy credit, they use to contact the clients and these coins expire if the professionals do not use now for 12 months or when they are inactive after three months. These criteria was implemented 1Q22.

We believe that the level of expiring is sustainable in the long term with a small reduction driven by improvement on professional retention. The coins are expiring less because the professionals are more active and consuming these coins much more.

The partnerships represent more than the revenue they generate. They help us to bring visibility, bring clients and professionalism in a lower acquisition cost.

Talking about net revenue, it was stable, with a variation of 4% compared to the final quarter. The main driver for this growth was the increase in the amount of requests, impacting the use of the coins by the professionals.

The gross revenue has been stable in the last quarter, near 92%, always operational costs in the 1Q22, R\$1.2 million generating gross revenue of R\$14.6 million. The drivers for this result were a better negotiation of the contracts, and also the management of SMS used for new registration, bringing a stable margin.

Talking about commercial revenue, they are composed by the investment in marketing. In 2022, we had a strong acceleration of investment to attract more professionals and more clients, consolidating our robust network, increasing our market share in all the regions in Brazil, with the density of request and the demand of professionals. This acceleration reached a peak in the 2Q21 and it has been adjusted since then.

For the 2H21, we have been calibrating our investments. We will build a better platform of professionals. Observing the expenses on the 1Q22, the reduction was 25% of investments compared to the previous quarter. Even with this reduction on investment, we increased the professional numbers and the amount of request by the customers.

The cost of acquisition, CAC, is better. Compared to the 2Q21 at the peak of the investment, the reduction is more than 50%. The revenue, maintenance and the reduction of resources bring something positive, and we see the result in EBITDA, or the cash a little bit higher.

In general expenses, we see a growth of R\$2.5 million, reaching R\$16.6 million. This quarter, we had an impact of R\$2.2 million, nonrecurring expense, hiring a strategy consulting firm. This is a relevant project, bringing benefits in the long term. We have an estimate of six months, impacting the following two quarters. But this expense is nonrecurrent, and we believe it is important to highlight and bring visibility.

Excluding these nonrecurring effects, the general and administrative expenses were R\$14 million in the 1Q22, showing instability in these expenses.

Personnel expenses. After the IPO, we created new structures, new processes, a board, committees, auditing processes, among others for a listed company. Personnel expenses went from R\$8 million in 2021 to R\$14 million in 4Q21.

Finalizing the structure, this variation of 2% in 2022 vs 2021 showcases that we are already in a mature level, a stable level, and all these changes happened and now they have an incremental growth.

We also commented the last quarter that it was going to decrease. We had in 2021 a higher growth, which was also stabilizing, 237 employees last year, 255 employees in this 1Q.

And we would like to bring you the main increase on our team, and we are emphasizing for tech and products, these are essential areas. It is a very heated talent dispute, and we are building up robust teams.

Another point that I would like to highlight is stock options plan, already represented on these personnel expenses and that it does not impact our cash position, as in the previous quarter.

Talking about EBITDA, we bring a reconciliation to explain how we reached this adjusted EBITDA. Maintenance of revenue and the optimization of the investment, improving the management of expenses and personnel, has brought an EBITDA of R\$6.3 million, almost 40% better than what we had in the previous quarter.

This adjusted EBITDA reflected the business performance excluding nonrecurrent effect and noncash effect. We have R\$2.2 million for the stock programs, based on accounting criteria, but not impacting the cash of the Company. The accounting for this provision considers the history and not the updated numbers of the Company.

Also, an impact on nonrecurrent expenses by the consulting project. Although these expenses are acknowledged in the short-term, we believe that the contribution will have a positive in mid and long term.

And here we see the perspective and evolution of EBITDA throughout the quarter. In the end of 2020, the beginning of 2021, we had an acceleration of investment in the IPO, investing a lot, growing a lot, and also a cash burn that was relevant, building up new structures and reaching new levels, clients and professionals.

The market has changed, the capital availability decreased, and the interest rate increased. We are in a new phase, with efficiency and profitability as priorities reducing the cash, improving the results. We are going to be more disciplined and judicious in investment. Constant improvement of EBITDA quarter after quarter reinforces this commitment, and we are pleased to show these results on the 1Q22, EBITDA of R\$6.3 million.

And then I would like to invite Cynthia, our CFO, to conclude the financial analysis.

Cynthia Hobbs:

Thank you, Lucas. Good afternoon, everybody. And here, we clearly see quarter after quarter getting closer to breakeven. The financial results this quarter was R\$7.2 million, and this is an improvement of 27% when we compared to the 4Q21, improving our bottom line, reducing our loss in R\$3.2 million, for R\$3.7 million on this quarter.

Our financial result was favored by the increase of Selic rate. The Company applied our resources in an exclusive fund created right after the IPO, in June 2021, with a good financial performance on CDI since its creation.

This result has made us have a cash flow variation of R\$3 million, as Lucas showed us before on this quarter, compared to R\$15 million in the 4Q21 and R\$18 million in the 3Q21. Clearly, a movement that we are getting closer to the breakeven.

And then I pass the microphone to Edu for his final consideration on this presentation. Thank you so much.

Eduardo L'Hotellier:

Thank you, Cynthia. Generally speaking our roadmap, we have three blocks: keep on expanding the marketplace, reach sustainable growth, and the evolution of our business model. We still

have lots of potential for growth in all the regions and all the categories, and the density that we showed in the previous call, we still have room for growth to increase GetNinjas' market share.

The importance of bringing back the cash flow generation that we reached in 2021, we believe we can go further increasing the efficiency and the investments in managing our models.

In parallel, we have been working to evolve our business model. We have several opportunities to improve the current product. We launched a new app. It is more functional. The app's score is evolving, 4.2, now 4.8, showcasing that we are having a great response.

And concluding, I would like to conclude my presentation with the takeaway messages. We have invested accelerated in 2021, to improve the base of clients and professionals. We are using this investment. Our focus now is on the conversion and retention of clients and professionals that we brought last quarter, and we are going to have a financial discipline and cash flow management to generate value.

I forgot to mention in the beginning of the presentation, we had a great quarter considering improvement, investments and health. The Company's GPTW showing a great effort of our personnel people to create an environment that is amazing, to attract the best talents.

Like that, I open up the floor for Q&A now.

Marcelo Santos - JPMorgan:

Good afternoon. Thank you so much for getting my questions. I have two questions. In this new level of marketing, this level of 0.6, 0.8 revenue, what type of growth can we expect? Could it be an increase of request or revenue? The potential of growing on these levels of investments.

My second question is about the association revenue drop. The partnership is more than the revenue, but is there any cut on the partnership? They discontinued something. It would be interesting to understand this better. Thank you so much.

Eduardo L'Hotellier:

We do not have a guidance on revenue right now. We do believe that we are going to grow more than we did this quarter. This quarter, we focused more in optimizing than in growing, not so much as we grew in our history. And this year is going to be a year that we are going to bring priority number one in growing our margin, our revenue, gross margin minus marketing expenses. This is the KPI we are seeking.

About partnerships, we focus more on the partnerships that generates value to the professional rather than revenue. The team is still working, and we are going to seek new partnerships this quarter.

Marcelo Santos - JPMorgan:

That is perfect, Eduardo. Thank you so much.

Sandya:

We also see a change of behavior in the market, seeking more performance, and the format we offer in GetNinjas is branding, and then we impact these brands bringing value to the professionals, with content that develops these professionals, offering benefits. And then we see a movement in the market of advertisement going to performance, then branding. That is what we are for now.

And then we try to reinvent ourselves here internally, focusing on special projects with great brands, and we are developing in the following months.

Marcelo Santos - JPMorgan:

That is clear. Thank you so much.

Felipe Lopes:

Good afternoon. My question is not exactly about the results, because I can see that the performance is doing so well, as expected, but it is about the app. I invest, and I also frequently use the app so I can get a higher contact with my service, and there was an increase of the cost of leads lately. And I also see in questions and complains in Google Play, and also in Reclame Aqui, lots of providers complaining that their clients do not answer. I have tested this myself and it is recurrent case that the clients never answer, even though there is an increase of the cost of the leads.

I would like to hear from you, how are you going to deal with that? If there is a future solution like a penalty for clients that never answer. Or maybe they both pay, not only the service provider, but the client as well. That is my question.

Eduardo L'Hotellier:

Thank you so much for your question. Nice to have a professional and client in our account also interested in knowing more about the Company. In general, the leads decrease on this period of time. But we have more than 500 categories and more than 5,000 cities. In some cities, in some categories, maybe there was an increase in average decrease, but we are always adjusting prices. Maybe a category that you were is one of the categories that we had these revisions.

In fact, there are studies in Reclame Aqui, and also in Google play, in different social media. It is important to say that the Reclame Aqui rate is 9.2, above most of the tech companies in Brazil. Our score in the app, the client is 4.7 in iOS, 4.8 in Google Play, and professional 4.2, 4.1, above big marketplaces at a global level and e-commerce is in Brazil.

So, of course, it hurts to see feedback that is not positive, but when we observe in a general overview, which is not your specific situation, but in a macro level, the Company has a reputation of having a good rate in all the channels.

So we can get your e-mail and see your case. And if you are interested in the Company, we can study more your category and your region, and then prices are adequate. Of course, we are always open to learn more.

Felipe Lopes:

Okay. Thank you so much.

Lucca Brendim – Bank of America:

Good afternoon, everybody. I have two questions for you. The first is about the sequential drop on the active professional numbers in the platform. I would like to know why, if this is something that we can expect for the next quarters, or if this was a seasonality or any other reason.

And the second is about the revenue growth. What are the work fronts that you want to use to have this growth, considering the marketing costs decreasing? If we are going to continue this expansion, and if these are coming from you extracting revenue from the clients. Thank you.

Eduardo L'Hotellier:

We had in the period of 2021 a test of a bundle trial. A package of coins that used to cost less in BRL, and less coins. The exchange rate was the same, a smaller package, and with this smaller package, the professional could use for a limited period of time.

And then we saw that this package of coins had a good return in the short term, because of lower price, more professionals activated and more professional started in GetNinjas. But as the experience was reduced, they did not have enough time to engage in the platform. So he used this smaller package of credits, and part of which we could not retain.

And then, also on this period of time, we have seen in our control group the professionals that used to buy higher packages of credit, they have higher retention. And that is why in the middle of the 4Q, in the end of 2021, we had this change, removing the trial, and we have less of this plan that is cheaper. There was a lower active professionals' level, and that is why we see this variation in the number.

As these professionals, newcomers, are in a higher package of credits, even this variation of active professionals, these did not think impacted the revenue, because in a higher package of credits, they spend more in the package on their first purchase, and also the retention package.

Lucca Brendim – Bank of America:

It is clear. Thank you.

Felipe Ribeiro (via webcast):

Can you talk about the cash of the Company? The market value is inferior to the cash flow and the Company is near breakeven in the operational cash. Do you think about distributing dividend, because there is no need for capital to invest in growth?

Eduardo L'Hotellier:

Thank you for the question, Felipe. We do not talk about their stock value, but the Company is trading in a value that is inferior to our cash, and the Company is near the break even. And of course, our high interest rate had done good financial revenue for the Company.

And then, about the distribution of dividends, this is not a discussion that we have right now. We are going to cross that bridge when we see it. Our focus right now is exclusively in improving the operation, growing the Company. And at this point, that is meaningful. We are going to have this discussion internally with our main investors and stockholders to understand what is meaningful.

But being 100% transparent, there is no discussion because there is no problem that we are focusing on resolving right now.

Operator: The Q&A session is over. We would like to pass the microphone for the final considerations.

Eduardo L'Hotellier:

Thank you so much who participated on this call, all the listeners, all the participants asking questions. Thank you so much for the hard questions as well. They are part of it. This makes us evolve. Thank you so much. A year from now, we are going to have more to celebrate. As I mentioned, a year that we had our IPO. Stocks are not exactly where we would like them to be. We had the IPO back then, so I really rely on our work and our team is work, and I really hope that every quarter we can deliver more and more results.

Operator: GetNinjas conference is over. Thank you so much for your participation. Have a wonderful day.

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