

**Operator:**

Good morning and welcome to the teleconference of GetNinjas to discuss the results of 2Q22.

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

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

We would like to inform you that this teleconference is being recorded and translated simultaneously. And before resuming, we would like to clarify that eventual declarations during this call, relative to the business perspective of the Company as to make an operational and financial goals, are beliefs and premises of the board GetNinjas.

Also, current information for the Company and futures ponderation are not an assurance of performance because they bring risks, premises, and uncertainties because they are about future events and they depend on forthcoming circumstances. The general economic conditions and other operational factors may affect their future results and bring results different from the ones expressed in future considerations.

Now, I would like to pass the microphone to GetNinjas. Please, Eduardo, the floor is yours.

**Eduardo L'Hotellier:**

Thank you so much. Good morning, everybody. I am Eduardo L'Hotellier, founder of GetNinjas. I would like to thank you so much for your presence for the results of 2Q22.

On the first page. As we always remember, our business model connects professionals, with more than 500 types of services connecting to customers. The customer requests a budget, we send that request to the professional that pays a value to contact the customer. This professional pay to give a quote and then they have a credit in coin so they can use this credit as they receive customers.

Slide number three. Let's talk about the highlights of the 2Q. The professional base is growing, we have 4,3 million professionals registered, more than 1 million if we compare 12 months ago. We have 188,000 professionals that are active, and 1,1 million client requests.

Our net revenue is 13,4 million, gross profit of 11,8 million, a net loss of 8,8, and cash burn -5,8. So we keep on having an excellent score on Reclame Aqui, 9,2 score, one of the best companies in our segment and we keep on having great assessments in the customer review and also professional review. Our score is 4,1 in Pro, 4,8 in Cli. Google Pro 4,2 and Client 4,7.

And now on slide number four, we are going to see the evolution of active professionals. This was a hard quarter, the population saw a decrease in their income. And even though with less investment and less marketing campaigns compared to last year, we could keep the number of professionals active aligned with the variation of 5%.

Next slide. I believe that the presentation on results we bring the normal slides on the business evolution and also we have some new research. And this research we produced in association with Google measuring the volume of research for some services.

And this study was performed with a basket of words and assigned the words to categories. For example: apartment Sao Paolo; clogging Itaim; electric disruption in Rio de Janeiro. Several words that are part of the reform categories were placed in groups, and then we observed the evolution of these words between periods and the search for that set of words during that period. For reform, house remodeling, Spanish and English classes, consulting services, and other services.

And then the observed drop of 20% on average compared to the same period last year. And these drop within the number of search queries and these, of course, are a proxy for the size of the market and the amount of services hired.

This market is very informal, it is very hard to have official data about this market and the volume of the query is just to give us an idea. And then we observed this data with Google and talking to experts and reflecting internally, we have reached some reasons for this effect.

And this reason is not new, it is nothing new for people hearing this call, now, on August 16, as you have seen, IPCA was a record. INCC measuring the cost of civil construction raised more than IPCA. The ink, cement, mortar, everything is more expensive. So construction materials are more expensive, and of course, some small repairs and house improvements were not initiated.

So we saw a negative effect in these categories and a positive effect in the category of events reflecting the hangover after the pandemic. Lots of events were postponed because of the pandemic, weddings, people did not celebrate the birthday party but this year they are celebrating. In this category, we see traces after the pandemic. But in general, we have seen a restriction in the market. And as we are going to show on the next slides, this retraction of the market impacts negatively our business.

On slide number six we can see the number of client requests and then we see in the period of these requests last year, it dropped 14%. The market dropped 20%. We dropped less than the market, and I am going to show you more slides about it, investing half as we invested last year.

Our client recurrence increased. Last year we had 48% and now we have 55%. And the categories that are more representative considering client requests and also revenue are still home renovation, tech support, and home services.

I pass the microphone to Arruda to talk about strategy and the highlights.

**Lucas Arruda:**

Good morning, everybody. It is a great pleasure to be with you. Last quarter, we saw the composition of gross revenue. The effect, as he said, was a reduction in the client request. And this variation between quarters, we suffered in leads impacted the amount of requests from the clients. We have other three lines. We have partner's expirations, and credit aligned with the quarter in the previous years. So there is not much variation for these.

And in partnership revenue, bringing revenue to the Company, bringing also visibility and brand communication. We see the macro composition and we are going to deep dive more in the following slides.

Talking about net revenue, we can see it presents a reduction of 5% compared to the 1Q, and 13% in 2Q21. So we work on these factors. We have an estimated number of searches dropping 20%, the request is dropping. We work on this revenue so we decrease the macro effect, but we still feel it in our revenue.

And it is important to say that we have an investment 52% lower than the last quarter. So our revenue is because of that and we could have this revenue a little bit lower with a higher reduction on this investment. These are not the numbers that we would like to see, but this reflects the big effort of the Company to improve the platform into a more efficient platform.

We see the evolution of gross profit that has been constant, flat, 91, 92, and a change that we are going to explain now. Reclassification of the score that less quarter the credit card and bank slips were expenses, we discussed internally aligned with audit and this costs from this quarter on are going to be accounted about impact. So great part is explained by the reclassification of costs in the following quarters you are going to see this continuity.

There is another factor affecting it, we revisit the price of some categories so the professionals can buy more leads and this increases the volume of transactions on the platform. So we have servers and the impact on the volume of transactions impacting this position. But we hope that this is going to be more stable in the future.

We have commented before, but here you can see the evolution of the investments, marketing expenses, and commercial expenses. We see the market and we are gradually reducing since the 2Q21, you see a big difference on what we invested, more than 20 million in 2Q21, and I guess 10 million on this quarter. This reduction is over 52%, and this is part of our strategy.

We see a more competitive environment, more competition for customers, and this reduction increases the competition for the same client, so the cost per click is higher. The expenses to get the click is higher. So we reduced our investment but improved the efficiency so we can bring our revenue volume and compare to the much lower investment, we see these in order to keep these costs flat. So we have marketing and revenue ratio at a healthier level for the Company.

The next line of expenses are general and administrative and is important to highlight the variation year after year reflecting the growth of the team. We are going to explain more. Also nonrecurring expenses it is a big variation, but if we consider these two factors, we understand that we align with the planning of the Company.

I would like to mention that we had this strategic consulting working with this on the 1Q, this impact the 2Q and the 3Q, you see in yellow, this work finished and these expenses finished as well. From the 3Q on we are not going to have this impact alleviating the pressure on our expenses, helping the cost and the results for the 2S.

Detailing the evolution and the composition of the team. We are already stable since the end of last year with some variation. We always highlight a team that has a strong contribution to our business technology and product team, they are in a competitive market, so retaining and

keeping this professional is a high challenge. But we see an evolution comparing 21 and 22. In 12 months we increased 20 employees in our team.

We have been working hard to replace and hire new job opportunities, very thoroughly. So we optimized some opportunities. You see a small variation compared to the previous quarter. We have a robust team already working and taking turns that is part of the business so we can keep a structure of cost that is proper.

Talking about operational results measured by EBITDA. We have a reduction in the revenue with a small increase in cost, EBITDA 16,8 million 2Q22. In order to reflect the performance of our business, we had only two adjusts. One, that is the provision for a stock options plan, and you can see that up to now there was no exercise at this moment. It is a provision that we have, but no exercise for the provision.

And nonrecurring expenses that is the consulting project that finishes this quarter. So we can get an EBITDA that better reflects the business of 12 million.

And here we see the evolution since the beginning of 2020, highlighting its improvement compared to the 2Q21, there was an EBITDA negative of 19 million, now we have 12. This improvement of 38% is a reflection of investment reduction in March and higher investment helping us here.

Now, I pass the microphone to Cynthia, CFO, to conclude the financial aspect.

**Cynthia Hobbs:**

Thank you. Let's talk now about the bottom line. More than 50% of improvement when we compare with the 2Q last year. Last year, we had a loss of R\$17,8 million. And then we see that this year reduced losses, half of them, 8,8 million.

And this is the fruit of all the optimizations and improvements that Arruda has mentioned before. And also this reduction of marketing expenses and the improvement of our financial result helped us to have bottom line results and a loss that is inferior to what we presented last year.

And like that, I would like to pass the microphone to Edu to talk about future challenges. Edu, the floor is yours.

**Eduardo L'Hotellier:**

Thank you so much, Lucas and Cynthia. As you have seen, we have had a challenging quarter when we observe the number of request queries on Google, the size of the market, the population with less income, and construction materials more expensive. One of the main categories of the platform. But this is for the investments to rest assured that we have financial discipline.

We are managing the resources and the costs as a whole, very strictly. And we have discipline in marketing investments, of course, there is still room for improvement so we can reach the financial results that we would like to see. And the market would like to see, everybody would like to see it, but we believe that we are on the right track for evolution.

We are the biggest platform of services. We do not have direct competition and the opportunities are still very big. Maybe it would take one more quarter. The market can have some variations somehow, but here it is clear that in a few years from now people will not hire services the way they do today.

And also, e-commerce has evolved, the way we order food using apps, is now something common nowadays to get a taxi. The market of services, of course, will follow this track and we really need to have a Company with financial discipline, a Company that every quarter increases its clients database, the professional's database so we can do things even better. But we keep on working hard here in order to deliver everything.

**Now, I would like to open up the floor for Q&A.**

**Marcelo Santos, JP Morgan (via webcast):**

Good morning. Can you talk about the conclusions of the consultancy?

**Company:**

We hired consultancy and they helped us to reformulate marketing investment. Strategic consulting Company. They have an operational arm helping us to reform the way we calculate CAPEX, the client's campaign, and some of the professional campaigns. And we are going to see the result of the work in the following quarters.

**Marcelo Santos (via webcast):**

Can you comment on the leads, reduction price for service providers?

**Company:**

Okay. Today, the business works like this, a client requests, we call it request, in English, is request, the word in Portuguese is request as well. This request is available to the professionals and the professional can contact the client, paying a value. So we realized that different requests were receiving few professionals.

Some requests do not receive any professional, and we need to distribute them to the professionals free of charge. But it is not maybe the most engaged professional. They do not negotiate so well. They cannot, according to their Brazilian culture, bargain. We see that the patience of these professional bargaining changes when they do not pay for the service.

Other requests, they received just one professional, two professionals. Ideally, instead, a request receives two or three professionals, it is a better experience for the client, they can choose, and have a good experience for the professional because the competition is limited.

So what is the reasoning? Reducing the price of the contact in order to increase the number of contacts that every request generates and in the end increase the revenue per request, but with higher quality, better service for the customer. What we saw in this period of time, initially we had this reduction and this increase of the amount not coming in the same proportion, reducing X% and the increase was a little lower than X impact our revenue.

But we believe that when we adjust it, when we tighten up the screw, we can have a price distribution as we maximize revenue and also clients' experience and with a better customer experience, we have a higher recurrence as we saw in the graph and you have better recommendations, word of mouth is getting better and the platform evolves.

We see that for some services the customer is pleased with less request. And more commodities, one or two professionals are enough when the clients want to quote a construction that is better we need more professionals. But when we see that clients' money is tight because of inflation.

**Flavio Cardoso, Umbler (via webcast):**

Good morning, Eduardo. Here is Flávio Cardoso, CFO of Umbler. Have you been testing other selling strategies for leads, packages and credits? Do you have recurrent plans for the professionals?

**Company:**

This is a great question. We have not tested last quarter. And when I talk about it, we are not still testing. But it is something that we see on our road map. It is in our functionality list to be implemented. So contextualizing it to everybody, currently the professional by a package of credit prepaid. And depends on the category, R\$50 minimum package, we have a higher package with a discount, 120 for the package.

They buy the package using a credit card, payment slip, or Pix, and they use this package, and when it is over in a proactive way, they buy a new one, Pix or bank slips as they pay in credit card there is a functionality so it can activate when it has 100 score credit, they buy a new package automatically.

And we have been studying. When we see some players in Australia, a public Company, ANGI, is the name of the Company that also has this model. Thumbtack, a private Company, is also in this model, and they have their choice of prepaid, as we do here, and also choices of subscription with a discount and then you engage the professional better. A challenge that we had in the past and we had this model in 2017, we migrate to these prepaid.

The challenge in 2017, the credit card of these professionals was not stable, months that were limited, and months that were not. Credit cards did not work because it was one of their first online purchases. So there was work, very big work of having their subscription on and the professional did not understand the currency generating operational work and the experience that we realized. When they activate the card is much better.

And since 2017, the financial structure has changed. The fintech are here, they are present, and the professionals are more used to buying online the credit. Limit is a challenge for new professionals, but much better than it was in 2017, 18.

So this functionality makes sense. It does not change our business model though. It adds a different payment model. So you collect and for some categories, some professional has a higher recurrence but the business model is the same. I hope I have answered your question. I see you are an entrepreneur, maybe you have the same challenge in your Company. On LinkedIn, we can talk more in parallel so we can exchange experiences.

**Operator:**

The Q&A session is over. We would like to pass the microphone to Mr. Eduardo for final consideration.

**Eduardo L'Hotellier:**

I would like to thank you so much you all present on this call of results and at some other point. The Company is available on our RI channels to answer any comment or any question that you have about the material here presented.

And we had a very challenging quarter. We can do better than what we did. We bring here one more time the volume of research inquiries. But this is not justification, this is an explanation. So, it does not matter the macro, the Company needs to accelerate the revenue and keep on working thoroughly. Thank you so much. Have you all a great week.

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

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