

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May 2023.

Commission File Number 001-40626

**VTEX**

(Exact name of registrant as specified in its charter)

**N/A**

(Translation of registrant's name into English)

**125 Kingsway, WC2B 6NH  
London, United Kingdom**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

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## **PART I - FINANCIAL INFORMATION**

### **Item 1 - Financial Statements**

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#### **VTEX**

#### **Condensed consolidated interim Financial Statements**

Condensed consolidated interim Balance Sheets

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Notes to the condensed consolidated interim Financial Statements

**VTEX**  
**Condensed consolidated interim balance sheets**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

|                                                  | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|--------------------------------------------------|-----------------------|--------------------------|
| <b>ASSETS</b>                                    |                       |                          |
| <b>Current assets</b>                            |                       |                          |
| Cash and cash equivalents                        | 21,891                | 24,394                   |
| Restricted cash                                  | 600                   | 1,608                    |
| Marketable securities and short-term investments | 209,002               | 214,164                  |
| Trade receivables                                | 37,536                | 36,844                   |
| Recoverable taxes                                | 5,755                 | 5,122                    |
| Deferred commissions                             | 727                   | 663                      |
| Prepaid expenses                                 | 5,376                 | 4,152                    |
| Derivative financial instruments                 | 54                    | 117                      |
| Other current assets                             | 1,294                 | 93                       |
| <b>Total current assets</b>                      | <b>282,235</b>        | <b>287,157</b>           |
| <b>Non-current assets</b>                        |                       |                          |
| Trade receivables                                | 5,115                 | 5,432                    |
| Deferred tax assets                              | 19,226                | 17,710                   |
| Prepaid expenses                                 | 172                   | 204                      |
| Recoverable taxes                                | 3,450                 | 3,334                    |
| Deferred commissions                             | 2,124                 | 1,790                    |
| Other non-current assets                         | 948                   | 957                      |
| Right-of-use assets                              | 4,673                 | 4,818                    |
| Property and equipment, net                      | 3,894                 | 3,909                    |
| Intangible assets, net                           | 31,267                | 31,210                   |
| Investments in joint venture                     | 424                   | 1,152                    |
| <b>Total non-current assets</b>                  | <b>71,293</b>         | <b>70,516</b>            |
| <b>Total assets</b>                              | <b>353,528</b>        | <b>357,673</b>           |

The above condensed consolidated interim balance sheet should be read in conjunction with the accompanying notes.

**VTEX**  
**Condensed consolidated interim balance sheets**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

|                                                   | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------------|-----------------------|--------------------------|
| <b>LIABILITIES</b>                                |                       |                          |
| <b>Current liabilities</b>                        |                       |                          |
| Accounts payable and accrued expenses             | 31,078                | 34,136                   |
| Loans and financing                               | 522                   | 1,153                    |
| Taxes payable                                     | 5,498                 | 4,128                    |
| Lease liabilities                                 | 1,959                 | 1,898                    |
| Deferred revenue                                  | 23,640                | 20,332                   |
| Accounts payable from acquisition of subsidiaries | -                     | 299                      |
| Other current liabilities                         | 73                    | 70                       |
| <b>Total current liabilities</b>                  | <b>62,770</b>         | <b>62,016</b>            |
| <b>Non-current liabilities</b>                    |                       |                          |
| Accounts payable and accrued expenses             | 489                   | 511                      |
| Taxes payable                                     | 160                   | 160                      |
| Lease liabilities                                 | 3,571                 | 3,737                    |
| Deferred revenue                                  | 16,037                | 13,923                   |
| Deferred tax liabilities                          | 2,734                 | 2,464                    |
| Other non-current liabilities                     | 234                   | 185                      |
| <b>Total non-current liabilities</b>              | <b>23,225</b>         | <b>20,980</b>            |
| <b>EQUITY</b>                                     |                       |                          |
| Issued Capital                                    | 19                    | 19                       |
| Capital reserve                                   | 389,824               | 390,885                  |
| Other reserves                                    | 1,955                 | 127                      |
| Accumulated losses                                | (124,301)             | (116,373)                |
| <b>Equity attributable to VTEX's shareholders</b> | <b>267,497</b>        | <b>274,658</b>           |
| Non-controlling interests                         | 36                    | 19                       |
| <b>Total shareholders' equity</b>                 | <b>267,533</b>        | <b>274,677</b>           |
| <b>Total liabilities and equity</b>               | <b>353,528</b>        | <b>357,673</b>           |

The above condensed consolidated interim balance sheet should be read in conjunction with the accompanying notes.

**VTEX**  
**Condensed consolidated interim statements of profit or loss**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

|                                                 | Three months ended |                 |
|-------------------------------------------------|--------------------|-----------------|
|                                                 | March 31, 2023     | March 31, 2022  |
| Subscription revenue                            | 39,762             | 32,580          |
| Services revenue                                | 2,520              | 2,087           |
| <b>Total revenue</b>                            | <b>42,282</b>      | <b>34,667</b>   |
| Subscription cost                               | (10,400)           | (9,996)         |
| Services cost                                   | (4,166)            | (2,607)         |
| <b>Total cost</b>                               | <b>(14,566)</b>    | <b>(12,603)</b> |
| <b>Gross profit</b>                             | <b>27,716</b>      | <b>22,064</b>   |
| <b>Operating expenses</b>                       |                    |                 |
| General and administrative                      | (7,925)            | (6,921)         |
| Sales and marketing                             | (14,782)           | (17,900)        |
| Research and development                        | (13,959)           | (13,925)        |
| Other income (losses)                           | (754)              | 8               |
| <b>Loss from operation</b>                      | <b>(9,704)</b>     | <b>(16,674)</b> |
| Financial income                                | 7,359              | 4,292           |
| Financial expense                               | (5,903)            | (9,013)         |
| <b>Financial result, net</b>                    | <b>1,456</b>       | <b>(4,721)</b>  |
| Equity results                                  | 341                | 219             |
| <b>Loss before income tax</b>                   | <b>(7,907)</b>     | <b>(21,176)</b> |
| <b>Income tax</b>                               |                    |                 |
| Current                                         | (570)              | (427)           |
| Deferred                                        | 549                | 2,512           |
| <b>Total income tax</b>                         | <b>(21)</b>        | <b>2,085</b>    |
| <b>Net loss for the period</b>                  | <b>(7,928)</b>     | <b>(19,091)</b> |
| <b>Attributable to controlling shareholders</b> | <b>(7,928)</b>     | <b>(19,090)</b> |
| <b>Non-controlling interest</b>                 | <b>-</b>           | <b>(1)</b>      |
| Loss per share                                  |                    |                 |
| <b>Basic loss per share</b>                     | <b>(0.042)</b>     | <b>(0.100)</b>  |
| <b>Diluted loss per share</b>                   | <b>(0.042)</b>     | <b>(0.100)</b>  |

The above condensed consolidated interim statements of profit or loss should be read in conjunction with the accompanying notes.

**VTEX**
**Condensed consolidated interim statements of changes in shareholders' equity**
**(Unaudited)**
**In thousands of U.S. dollars, unless otherwise indicated**

|                                                                      | Issued capital | Capital reserve | Other reserves | Accumulated losses | Equity attributable to VTEX's shareholders | Non-controlling interests | Total shareholders' equity |
|----------------------------------------------------------------------|----------------|-----------------|----------------|--------------------|--------------------------------------------|---------------------------|----------------------------|
| <b>At January 1, 2022</b>                                            | <b>19</b>      | <b>390,466</b>  | <b>652</b>     | <b>(63,955)</b>    | <b>327,182</b>                             | <b>7</b>                  | <b>327,189</b>             |
| Net loss for the period                                              | -              | -               | -              | (19,090)           | (19,090)                                   | (1)                       | (19,091)                   |
| Other comprehensive income (loss)                                    | -              | -               | 3,596          | -                  | 3,596                                      | -                         | 3,596                      |
| <b>Total comprehensive loss for the period</b>                       | <b>-</b>       | <b>-</b>        | <b>3,596</b>   | <b>(19,090)</b>    | <b>(15,494)</b>                            | <b>(1)</b>                | <b>(15,495)</b>            |
| <b>Transactions with owners of the Company</b>                       |                |                 |                |                    |                                            |                           |                            |
| Exercise of stock options                                            | -              | 19              | -              | -                  | 19                                         | -                         | 19                         |
| Issue of ordinary shares as consideration for a business combination | -              | 3               | -              | -                  | 3                                          | -                         | 3                          |
| Share-based compensation                                             | -              | 3,099           | -              | -                  | 3,099                                      | -                         | 3,099                      |
| Transactions with non-controlling interests                          | -              | -               | -              | -                  | -                                          | 4                         | 4                          |
| <b>Total transactions with owners of the Company</b>                 | <b>-</b>       | <b>3,121</b>    | <b>-</b>       | <b>-</b>           | <b>3,121</b>                               | <b>4</b>                  | <b>3,125</b>               |
| <b>At March 31, 2022</b>                                             | <b>19</b>      | <b>393,587</b>  | <b>4,248</b>   | <b>(83,045)</b>    | <b>314,809</b>                             | <b>10</b>                 | <b>314,819</b>             |
| <b>At January 1, 2023</b>                                            | <b>19</b>      | <b>390,885</b>  | <b>127</b>     | <b>(116,373)</b>   | <b>274,658</b>                             | <b>19</b>                 | <b>274,677</b>             |
| Net loss for the period                                              | -              | -               | -              | (7,928)            | (7,928)                                    | -                         | (7,928)                    |
| Other comprehensive income (loss)                                    | -              | -               | 1,828          | -                  | 1,828                                      | -                         | 1,828                      |
| <b>Total comprehensive loss for the period</b>                       | <b>-</b>       | <b>-</b>        | <b>1,828</b>   | <b>(7,928)</b>     | <b>(6,100)</b>                             | <b>-</b>                  | <b>(6,100)</b>             |
| <b>Transactions with owners of the Company</b>                       |                |                 |                |                    |                                            |                           |                            |
| Exercise of stock options                                            | -              | 3               | -              | -                  | 3                                          | -                         | 3                          |
| Share repurchase program (note 20.2)                                 | -              | (5,330)         | -              | -                  | (5,330)                                    | -                         | (5,330)                    |
| Share-based compensation                                             | -              | 4,266           | -              | -                  | 4,266                                      | -                         | 4,266                      |
| Transactions with non-controlling interests                          | -              | -               | -              | -                  | -                                          | 17                        | 17                         |
| <b>Total transactions with owners of the Company</b>                 | <b>-</b>       | <b>(1,061)</b>  | <b>-</b>       | <b>-</b>           | <b>(1,061)</b>                             | <b>17</b>                 | <b>(1,044)</b>             |
| <b>At March 31, 2023</b>                                             | <b>19</b>      | <b>389,824</b>  | <b>1,955</b>   | <b>(124,301)</b>   | <b>267,497</b>                             | <b>36</b>                 | <b>267,533</b>             |

The above condensed consolidated interim statements of changes in shareholders' equity should be read in conjunction with the accompanying notes.

**VTEX**  
**Condensed consolidated interim statements of cash flows**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

|                                                                                    | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Net loss for the period</b>                                                     | <b>(7,928)</b>        | <b>(19,091)</b>       |
| <b>Adjustments for:</b>                                                            |                       |                       |
| Depreciation and amortization                                                      | 1,226                 | 1,094                 |
| Deferred income tax                                                                | (549)                 | (2,512)               |
| Loss on disposal of rights of use, property, equipment, and intangible assets      | 14                    | (46)                  |
| Expected credit losses from trade receivables                                      | 537                   | 122                   |
| Share-based compensation                                                           | 4,004                 | 3,099                 |
| Provision for payroll taxes (share-based compensation)                             | 452                   | (1,232)               |
| Adjustment of hyperinflation                                                       | 1,420                 | 717                   |
| Equity results                                                                     | (341)                 | (219)                 |
| Fair value (gains) losses                                                          | (3,374)               | 3,840                 |
| Others and foreign exchange, net                                                   | 68                    | (1,940)               |
| <b>Change in operating assets and liabilities</b>                                  |                       |                       |
| Trade receivables                                                                  | (124)                 | (759)                 |
| Recoverable taxes                                                                  | (580)                 | (847)                 |
| Prepaid expenses                                                                   | (1,019)               | (1,737)               |
| Other assets                                                                       | (299)                 | (306)                 |
| Accounts payable and accrued expenses                                              | (4,250)               | (1,143)               |
| Taxes payable                                                                      | 1,472                 | (427)                 |
| Deferred revenue                                                                   | 4,279                 | 5,291                 |
| Other liabilities                                                                  | 304                   | 410                   |
| <b>Cash used in operating activities</b>                                           | <b>(4,688)</b>        | <b>(15,686)</b>       |
| Income tax paid                                                                    | (170)                 | (304)                 |
| <b>Net cash used in operating activities</b>                                       | <b>(4,858)</b>        | <b>(15,990)</b>       |
| <b>Cash flows from investing activities</b>                                        |                       |                       |
| Purchase of short-term investment                                                  | (2,010)               | (6,587)               |
| Redemption of short-term investment                                                | 9,992                 | 3,631                 |
| Purchase of marketable securities                                                  | (1,995)               | -                     |
| Redemption of marketable securities                                                | 1,876                 | -                     |
| Interest and dividend received from short-term investments                         | 462                   | -                     |
| Payment of business acquired                                                       | -                     | (1,268)               |
| Acquisitions of property and equipment                                             | (146)                 | (95)                  |
| Derivative financial instruments                                                   | (134)                 | -                     |
| <b>Net cash provided by (used in) investing activities</b>                         | <b>8,045</b>          | <b>(4,319)</b>        |
| <b>Cash flows from financing activities</b>                                        |                       |                       |
| Derivative financial instruments                                                   | -                     | (718)                 |
| Changes in restricted cash                                                         | 1,034                 | 373                   |
| Proceeds from the exercise of stock options                                        | 3                     | 19                    |
| Net-settlement of share-based payment                                              | (387)                 | (598)                 |
| Buyback of shares                                                                  | (5,330)               | -                     |
| Payment of loans and financing                                                     | (696)                 | (657)                 |
| Interest paid                                                                      | (4)                   | (20)                  |
| Principal elements of lease payments                                               | (368)                 | (279)                 |
| Lease interest paid                                                                | (148)                 | (176)                 |
| <b>Net cash used in financing activities</b>                                       | <b>(5,896)</b>        | <b>(2,056)</b>        |
| <b>Net decrease in cash and cash equivalents</b>                                   | <b>(2,709)</b>        | <b>(22,365)</b>       |
| <b>Cash and cash equivalents, beginning of the period</b>                          | <b>24,394</b>         | <b>121,006</b>        |
| Effect of exchange rate changes                                                    | 206                   | 983                   |
| <b>Cash and cash equivalents, end of the period</b>                                | <b>21,891</b>         | <b>99,624</b>         |
| <b>Non-cash transactions:</b>                                                      |                       |                       |
| Lease liabilities arising from obtaining right-of-use assets                       | 76                    | 931                   |
| Issue of ordinary shares as consideration for a business combination               | -                     | 3                     |
| Dividends from joint venture used to pay accounts from acquisition of subsidiaries | -                     | 448                   |
| Transactions with non-controlling interests                                        | 17                    | 4                     |

The above condensed consolidated interim statements of cash flows should be read in conjunction with the accompanying notes.



**VTEX**  
**Notes to the condensed consolidated interim financial statements**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

**1 General information**

VTEX (“VTEX” or the “Company”) and its subsidiaries, or collectively referred to as the “Group”, provide a software-as-a-service digital commerce platform for enterprise brands and retailers. VTEX’s services enable our customers to execute their commerce strategy, including building online stores, integrating and managing orders across channels, and creating marketplaces to sell products from third-party vendors. The platform is also designed to be the operating system for the commerce ecosystem, enabling enterprise brands and retailers to orchestrate their network of consumers, business partners, suppliers, and fulfillment providers in one place with a complete Commerce, Marketplace, and OMS solution. VTEX assists global companies build, manage and deliver native and advanced business-to-business (B2B), business-to-consumer (B2C), and Marketplace commerce experiences with competitive time-to-market. The Company's shares, under the symbol “VTEX”, are listed on the New York Stock Exchange (“NYSE”).

The following entities are part of the Group and are being consolidated in these unaudited condensed interim financial statements:

| Company                                                                   | Place of business/<br>country of<br>incorporation | Relationship | Principal<br>business<br>activity | Interest held by the Group (%) |                      |                   |
|---------------------------------------------------------------------------|---------------------------------------------------|--------------|-----------------------------------|--------------------------------|----------------------|-------------------|
|                                                                           |                                                   |              |                                   | March<br>31, 2023              | December<br>31, 2022 | March<br>31, 2022 |
| VTEX (“VTEX”)                                                             | Cayman                                            | Holding      | Technology Services               |                                |                      |                   |
| VTEX Informatica S.A. (“VTEX ARG”)                                        | Argentina                                         | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| VTEX Brasil Tecnologia para E-commerce LTDA. (“VTEX Brazil”)              | Brazil                                            | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| VTEX Day Eventos LTDA (“VTEX DAY”)                                        | Brazil                                            | Subsidiary   | Production of events              | 100                            | 100                  | 100               |
| Loja Integrada Tecnologia Para Softwares S.A. (“Loja Integrada”)          | Brazil                                            | Subsidiary   | Technology Services               | 99.28                          | 99.58                | 99.81             |
| VTEX Chile SPA (“VTEX CHI”)                                               | Chile                                             | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| VTEX Colombia Tecnologia para Ecommerce S.A.S. (“VTEX COL”)               | Colombia                                          | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| VTEX Commerce Cloud Solutions LLC (“VTEX USA”)                            | USA                                               | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| VTEX Ecommerce Platform Limited (“VTEX UK”)                               | UK                                                | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| VTEX Mexico Soluciones en Ecommerce S.R.L. de C.V. (“VTEX MEX”)           | Mexico                                            | Subsidiary   | Technology Services               | 100                            | 100                  | 99.99             |
| EI Education S.A.P.I de C.V. (“Escuela”)                                  | Mexico                                            | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| Peru Tecnologia para ECOMMERCE S.A.C. (“VTEX PERU”)                       | Peru                                              | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| VTEX Platform España, S.L. (“VTEX ESP”)                                   | Spain                                             | Subsidiary   | Technology Services               | 100                            | 100                  | 100               |
| Vtex Ecommerce Platform Limited - Sede Secundaria (“VTEX ITA”)            | Italy                                             | Branch       | Technology Services               | 100                            | 100                  | 100               |
| Vtex Ecommerce Platform Limited London - Sucursala Bucuresti (“VTEX ROM”) | Romania                                           | Branch       | Technology Services               | 100                            | 100                  | 100               |
| Vtex Ecommerce Platform Limited – Sucursal em Portugal (“VTEX PORT”)      | Portugal                                          | Branch       | Technology Services               | 100                            | 100                  | 100               |

The Group also holds VT Comercio, a joint venture (“JV”) established in July 2019 with a participation of 50%.

## **2 Basis of presentation and consolidation**

The accounting policies described in detail below have been consistently applied to all periods presented in these unaudited condensed consolidated interim financial statements, unless otherwise stated. The financial statements are applicable for the group consisting of VTEX and its subsidiaries. The accounting policies have been consistently applied by the Group.

### **a. Basis for preparation of the unaudited condensed consolidated interim financial statements**

The unaudited condensed consolidated interim financial statements of VTEX Group for the three-month period ended March 31, 2023, have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in an annual consolidated financial statement. Accordingly, this report is to be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2022, and any public announcements made by the Group during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year, except for the income tax estimation (see note 6) and the adoption of new and amended standards as set out below.

The unaudited condensed consolidated interim financial statements are presented in U.S. dollars (“USD” or “US\$”), which is the Company’s functional and presentation currency. All amounts are rounded to the nearest thousands, except when otherwise indicated.

### **b. New standards, interpretations, and amendments adopted by the Group**

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

### **c. Critical estimates and accounting judgments**

Management has made judgments and estimates that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Accounting estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized prospectively.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgments and estimates made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those set at the consolidated financial statements for the year ended December 31, 2022. No retrospective adjustments were made.

**VTEX**  
**Notes to the condensed consolidated interim financial statements**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

**3 Cash and cash equivalents**

The breakdown of cash and cash equivalents is as follows:

|                                     | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------------|-----------------------|--------------------------|
| Cash and cash bank deposits         | 15,095                | 18,930                   |
| Time deposits and other investments | 4,726                 | 2,271                    |
| Investment funds                    | 2,070                 | 3,193                    |
| <b>Total</b>                        | <b>21,891</b>         | <b>24,394</b>            |

**4 Marketable securities and short-term investments**

|                                                         | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------------------|-----------------------|--------------------------|
| Marketable securities                                   | 9,908                 | 10,119                   |
| Short-term investments                                  | 199,094               | 204,045                  |
| <b>Marketable securities and short-term investments</b> | <b>209,002</b>        | <b>214,164</b>           |

**4.1 Marketable securities**

The following table shows the changes in the balances:

|                                     | <b>2023</b>   |
|-------------------------------------|---------------|
| <b>Opening balance on January 1</b> | <b>10,119</b> |
| Additions                           | 1,995         |
| Redemption                          | (1,876)       |
| Accrued interest                    | 1,306         |
| Exchange differences                | (1,636)       |
| <b>Closing balance on March 31</b>  | <b>9,908</b>  |

**4.2 Short-term investments**

The following table shows the changes in the balances:

|                                     | <b>2023</b>    |
|-------------------------------------|----------------|
| <b>Opening balance on January 1</b> | <b>204,045</b> |
| Additions                           | 2,010          |
| Redemption                          | (9,992)        |
| Fair value gains, net               | 3,304          |
| Exchange differences                | (273)          |
| <b>Closing balance on March 31</b>  | <b>199,094</b> |

**VTEX**  
**Notes to the condensed consolidated interim financial statements**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

**5 Trade receivables**

Trade receivables are as follows:

|                                | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|--------------------------------|-----------------------|--------------------------|
| Trade receivables              | 43,803                | 43,084                   |
| Expected credit losses         | (1,152)               | (808)                    |
| <b>Total trade receivables</b> | <b>42,651</b>         | <b>42,276</b>            |
| Current                        | 37,536                | 36,844                   |
| Non-current                    | 5,115                 | 5,432                    |

The changes in expected credit losses for trade receivables are as follows:

|                                     | <b>2023</b>    |
|-------------------------------------|----------------|
| <b>Opening balance on January 1</b> | <b>(808)</b>   |
| Addition, net                       | (537)          |
| Write-off                           | 216            |
| Exchange differences                | (23)           |
| <b>Closing balance on March 31</b>  | <b>(1,152)</b> |

The trade receivables by maturity are distributed as follows:

|                      | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|----------------------|-----------------------|--------------------------|
| <b>Current</b>       | <b>40,804</b>         | <b>39,188</b>            |
| <b>Overdue:</b>      |                       |                          |
| From 1 to 30 days    | 899                   | 2,087                    |
| From 31 to 60 days   | 289                   | 454                      |
| From 61 to 90 days   | 279                   | 359                      |
| From 91 to 120 days  | 326                   | 295                      |
| From 121 to 300 days | 1,206                 | 701                      |
| <b>Total</b>         | <b>43,803</b>         | <b>43,084</b>            |

**6 Current and deferred tax**

**6.1 Deferred tax assets**

The balance comprises temporary differences attributable to:

|                                      | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|--------------------------------------|-----------------------|--------------------------|
| Loss allowances for financial assets | 344                   | 270                      |
| Bonus provision                      | 551                   | 1,712                    |
| Lease                                | 406                   | 392                      |
| Share-based compensation             | 3,064                 | 3,130                    |
| Hyperinflationary adjustments        | 29                    | 37                       |
| Tax loss (i)                         | 12,530                | 10,513                   |
| Others (ii)                          | 2,302                 | 1,656                    |
| <b>Total deferred tax assets</b>     | <b>19,226</b>         | <b>17,710</b>            |

(i) Tax losses increase is driven mainly by the current investment position of the Brazilian operations. These amounts are expected to be offset in the foreseeable future.

(ii) This amount refers mainly to temporary differences over accrued expenses.

**VTEX**  
**Notes to the condensed consolidated interim financial statements**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

**6.2 Deferred tax liabilities**

The balance comprises temporary differences attributable to:

|                                       | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------|-----------------------|--------------------------|
| Acquisition of subsidiaries           | 1,347                 | 1,409                    |
| Temporary differences                 | 1,005                 | 827                      |
| Others                                | 382                   | 228                      |
| <b>Total deferred tax liabilities</b> | <b>2,734</b>          | <b>2,464</b>             |

**6.3 Income Tax expense**

Income tax expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

|                                       | <b>Three months ended</b> |                       |
|---------------------------------------|---------------------------|-----------------------|
|                                       | <b>March 31, 2023</b>     | <b>March 31, 2022</b> |
| <b>Current tax</b>                    |                           |                       |
| Current tax on profits for the period | (570)                     | (427)                 |
|                                       | <b>(570)</b>              | <b>(427)</b>          |
| <b>Deferred income tax</b>            |                           |                       |
| Decrease in deferred tax              | 549                       | 2,512                 |
|                                       | <b>549</b>                | <b>2,512</b>          |
| <b>Income tax</b>                     | <b>(21)</b>               | <b>2,085</b>          |

VTEX  
Notes to the condensed consolidated interim financial statements  
(Unaudited)  
In thousands of U.S. dollars, unless otherwise indicated

7 Leases

7.1 Amounts recognized in the balance sheet

The balance sheet shows the following amounts related to leases:

|                            | March 31, 2023 | December 31, 2022 |
|----------------------------|----------------|-------------------|
| <b>Right-of-use assets</b> |                |                   |
| Office buildings           | 4,673          | 4,818             |
| <b>Total</b>               | <b>4,673</b>   | <b>4,818</b>      |
|                            |                |                   |
|                            | March 31, 2023 | December 31, 2022 |
| <b>Lease liabilities</b>   |                |                   |
| Current                    | 1,959          | 1,898             |
| Non-current                | 3,571          | 3,737             |
| <b>Total</b>               | <b>5,530</b>   | <b>5,635</b>      |

The following table shows the changes in the right-of-use asset and lease liabilities:

|                                      | 2023         |
|--------------------------------------|--------------|
| <b>Right-of-use assets</b>           |              |
| <b>Opening balance on January 1</b>  | <b>4,818</b> |
| New lease agreements                 | 76           |
| Depreciation                         | (371)        |
| Hyperinflation adjustment            | 2            |
| Exchange differences                 | 148          |
| <b>Closing balance on March 31</b>   | <b>4,673</b> |
|                                      |              |
|                                      | 2023         |
| <b>Lease liabilities</b>             |              |
| <b>Opening balance on January 1</b>  | <b>5,635</b> |
| New lease agreements                 | 76           |
| Interest added                       | 149          |
| Principal elements of lease payments | (368)        |
| Interest payment                     | (148)        |
| Exchange differences                 | 186          |
| <b>Closing balance on March 31</b>   | <b>5,530</b> |

7.2 Amounts recognized in the Statement of profit or loss

The statement of profit or loss presents the following amounts related to leases:

|                                                  | Three months ended |                |
|--------------------------------------------------|--------------------|----------------|
|                                                  | March 31, 2023     | March 31, 2022 |
| Depreciation charge of office buildings          | 371                | 303            |
| Interest expense (included in financial expense) | 149                | 176            |
| <b>Total</b>                                     | <b>520</b>         | <b>479</b>     |

**VTEX**  
**Notes to the condensed consolidated interim financial statements**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

**8 Property and equipment, net**

Details of the Group's property and equipment balance are presented below:

|                                    | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|------------------------------------|-----------------------|--------------------------|
| Leasehold improvements             | 3,045                 | 2,811                    |
| Machinery and equipment            | 290                   | 307                      |
| Furniture and fixture              | 759                   | 836                      |
| Computer and peripherals           | 4,556                 | 4,346                    |
| Accumulated depreciation           | (4,756)               | (4,391)                  |
| <b>Property and equipment, net</b> | <b>3,894</b>          | <b>3,909</b>             |

**9 Intangible assets, net**

Details of the Group's intangible assets balance are presented below:

|                               | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------|-----------------------|--------------------------|
| Software                      | 4,462                 | 4,291                    |
| Trademark                     | 227                   | 218                      |
| Intellectual property         | 2,819                 | 2,675                    |
| Customer contracts            | 9,440                 | 9,394                    |
| Goodwill                      | 21,378                | 20,965                   |
| Others                        | 541                   | 519                      |
| Accumulated amortization      | (7,600)               | (6,852)                  |
| <b>Intangible assets, net</b> | <b>31,267</b>         | <b>31,210</b>            |

**10 Accounts payable and accrued expenses**

The breakdown of accounts payable and accrued expenses is as follows:

|                                     | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------------|-----------------------|--------------------------|
| Trade payables                      | 14,479                | 14,064                   |
| Social charges                      | 5,978                 | 5,537                    |
| Profit-sharing                      | 4,496                 | 9,484                    |
| Provision for vacation and benefits | 6,559                 | 5,506                    |
| Others                              | 55                    | 56                       |
| <b>Total</b>                        | <b>31,567</b>         | <b>34,647</b>            |
| Current                             | 31,078                | 34,136                   |
| Non-current                         | 489                   | 511                      |

**VTEX**  
**Notes to the condensed consolidated interim financial statements**  
**(Unaudited)**  
**In thousands of U.S. dollars, unless otherwise indicated**

**11 Loans and financing**

**11.1 Breakdown of loans and financing**

Loan and financing operations are summarized as follows:

|              | <b>Interest rate</b>                     | <b>Country</b> | <b>Maturity</b> | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|--------------|------------------------------------------|----------------|-----------------|-----------------------|--------------------------|
| BNDES        | 6.5% p.a<br>(Brazilian Reais)            | Brazil         | Mar/23          | -                     | 189                      |
| Itaú (i)     | 100% CDI + 2.5% p.a<br>(Brazilian Reais) | Brazil         | May/23          | 522                   | 964                      |
| <b>Total</b> |                                          |                |                 | <b>522</b>            | <b>1,153</b>             |

(i) In June 2019, the Group raised €6,909, corresponding to US\$7,782 for working capital purposes. On the same date, a swap was contracted to hedge the amount against foreign exchange rate, designating the financial instrument as a fair value hedge.

**11.2 Changes in loans and financing**

|                                              | <b>2023</b>  |
|----------------------------------------------|--------------|
| <b>Opening balance on January 1</b>          | <b>1,153</b> |
| Payment of loans                             | (696)        |
| Interest charged                             | 4            |
| Interest paid                                | (4)          |
| Basis adjustment on the fair value hedge (i) | 31           |
| Exchange differences                         | 34           |
| <b>Closing balance on March 31</b>           | <b>522</b>   |

(i) In June 2019, the subsidiary VTEX BRA designated the loan in euros with Itaú bank as a fair value hedge. Losses on the financial instrument that are measured at fair value have been recognized as a financial expense. Refer to note 18.1(ii) for additional detail.

**12 Taxes payable**

The breakdown of taxes payable is as follows:

|                     | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|---------------------|-----------------------|--------------------------|
| Income tax payable  | 1,134                 | 673                      |
| Other taxes payable | 4,524                 | 3,615                    |
| <b>Total</b>        | <b>5,658</b>          | <b>4,288</b>             |
| Current             | 5,498                 | 4,128                    |
| Non-current (i)     | 160                   | 160                      |

(i) The balance refers to sales taxes related to the WorkArea acquisition.

### 13 Contingencies

The Group is party to civil and labor lawsuits involving loss risks. Provisions for losses resulting from lawsuits are estimated and updated by the Group, based on analysis from the Group's legal advisors.

The breakdown of existing contingencies classified as probable by the Group, based on the evaluation of its legal advisors, which are recognized as a liability, is as follows:

|              | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|--------------|-----------------------|--------------------------|
| Civil        | 39                    | 6                        |
| Labor        | 45                    | 95                       |
| Tax          | 149                   | 84                       |
| <b>Total</b> | <b>233</b>            | <b>185</b>               |

The breakdown of existing contingencies classified as possible by the Group, based on the evaluation of its legal advisors, for which no provision was recognized, is as follows:

|              | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|--------------|-----------------------|--------------------------|
| Civil        | 133                   | 118                      |
| Labor        | -                     | -                        |
| Tax          | 947                   | 878                      |
| <b>Total</b> | <b>1,080</b>          | <b>996</b>               |

On October 9, 2020, Mirakl, Incorporated, filed a complaint for unspecified damages and preliminary and permanent injunctive relief in the United States District Court for the District of Massachusetts against our subsidiary VTEX Commerce Cloud Solutions LLC, or VTEX U.S., and certain of its employees that were formerly employed by the plaintiff.

On April 14, 2021, the court denied the motion to dismiss. On October 4, 2021, the court granted VTEX's motion to appoint an independent expert to manage forensic discovery. On December 31, 2021, the court approved a forensic protocol to be employed by the independent expert. As of December 31, 2022, the parties are conducting discovery. Although VTEX plans to defend itself against such lawsuit, the Company is not able to predict the outcomes of such lawsuit at this current early stage. On December 31, 2022 and 2021, this contingency was classified as possible, however at the end of the reporting period it was not possible to estimate the future cash outflows at this stage of the lawsuit, and, therefore, it was not included in the table above.

### 14 Shareholders' equity

#### 14.1 Issued capital

The total share capital is as follows:

|                                      | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|--------------------------------------|-----------------------|--------------------------|
| Number of ordinary nominative shares | 188,131,987           | 188,992,529              |
| Par value                            | 0.0001                | 0.0001                   |
| <b>Total issued capital</b>          | <b>19</b>             | <b>19</b>                |

**VTEX**  
**Notes to the condensed consolidated interim financial statements**  
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**15 Revenue from services provided**

The Group revenue derives mainly from the transfer of services rendered and fees charged as services are provided, therefore, mostly recognized over time. Disaggregation of revenue by major product lines are as follows:

|                             | Three months ended |                |
|-----------------------------|--------------------|----------------|
|                             | March 31, 2023     | March 31, 2022 |
| Subscriptions               | 43,530             | 35,675         |
| Taxes on subscriptions      | (3,768)            | (3,095)        |
| <b>Subscription revenue</b> | <b>39,762</b>      | <b>32,580</b>  |
| Services provided           | 2,645              | 2,254          |
| Taxes on services           | (125)              | (167)          |
| <b>Services revenue</b>     | <b>2,520</b>       | <b>2,087</b>   |
| <b>Total revenue</b>        | <b>42,282</b>      | <b>34,667</b>  |

**16 Earnings (loss) per share**

Basic earnings (loss) per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding during the year.

Diluted earnings per share are computed by affecting all potential weighted average dilutive common stock, including options and restricted stock units.

The following table contains the loss per share of the Group for the three-month period ended March 31, 2023 and 2022:

|                                                                  | Three months ended |                |
|------------------------------------------------------------------|--------------------|----------------|
|                                                                  | March 31, 2023     | March 31, 2022 |
| <b>Basic loss per share</b>                                      |                    |                |
| Loss attributable to the stockholders of the Group               | (7,928)            | (19,090)       |
| Weighted average number of outstanding common shares (thousands) | 188,240            | 191,165        |
| <b>Basic loss per share</b>                                      | <b>(0.042)</b>     | <b>(0.100)</b> |
| <b>Diluted loss per share</b>                                    |                    |                |
| Loss attributable to the stockholders of the Group               | (7,928)            | (19,090)       |
| Weighted average number of outstanding common shares (thousands) | 188,240            | 191,165        |
| <b>Diluted loss per share</b>                                    | <b>(0.042)</b>     | <b>(0.100)</b> |

As of March 31, 2023 and 2022 the number of shares used to calculate diluted net loss per share of common stock attributable to common stockholders is the same as the number of shares used to calculate basic net loss per share of common stock attributable to common stockholders for the period presented because the potentially dilutive shares would have been anti-dilutive if included in the calculation. The number of the potentially dilutive shares that would have been anti-dilutive is disclosed in note 17.

## **17 Share-based compensation**

### **17.1 Share-based compensation: VTEX**

VTEX provides share-based compensation to selected directors and employees as a stock-option plan.

Both stock options and Restricted Stock Units instruments (“RSUs”) are exercisable as long as the director or employee fulfills the worked periods after the options are granted.

Set out below are summaries of options granted under the plan:

|                                                       | <b>Number of<br/>options<br/>(thousands)</b> | <b>Weighted<br/>average<br/>exercise price</b> | <b>Remaining<br/>contractual<br/>terms in years</b> | <b>Weighted<br/>average grant<br/>date fair value</b> |
|-------------------------------------------------------|----------------------------------------------|------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| <b>At January 1, 2023</b>                             | <b>9,714</b>                                 | <b>4.18</b>                                    | <b>4.37</b>                                         | <b>1.41</b>                                           |
| Granted                                               | 4                                            | 3.95                                           | -                                                   | 1.87                                                  |
| Forfeit                                               | (74)                                         | 3.62                                           | -                                                   | 1.64                                                  |
| Exercised (i)                                         | (5)                                          | 0.63                                           | -                                                   | 1.26                                                  |
| <b>At March 31, 2023</b>                              | <b>9,639</b>                                 | <b>4.19</b>                                    | <b>4.14</b>                                         | <b>1.30</b>                                           |
| <b>Stock options exercisable as of March 31, 2023</b> | <b>4,587</b>                                 | <b>4.08</b>                                    | <b>3.89</b>                                         | <b>1.02</b>                                           |

(i) The number of Stock-options withheld for tax purposes was 0.2 thousand shares.

The fair value of the stock options granted was calculated based on the Binomial Options Pricing Model considering the average contract term. The model inputs for options included:

- Strike Price - Average price weighted by the quantity granted;
- Target Asset Price - The trading price closest to the granting date of the options or the trading price derived from an independent valuation report;
- Risk-Free Interest Rate - US Treasury interest rate, according to the contractual term;
- Volatility - According to comparable peer entities listed on the stock exchange.

**VTEX****Notes to the condensed consolidated interim financial statements****(Unaudited)****In thousands of U.S. dollars, unless otherwise indicated**

The weighted average inputs used in the three-month period ended March 31, 2023:

- Target Asset Price - US\$3.95 per share (December 31, 2022 - US\$10.72 per share)
- Risk-Free Interest Rate – 4.18% (December 31, 2022: 1.14%)
- Volatility – 57.24% (December 31, 2022: 51.89%)
- Expected dividend: None

The following table summarizes the RSU options granted under the plan:

|                           | <b>Number of<br/>RSUs<br/>(thousands)</b> | <b>Weighted<br/>average grant<br/>date fair value</b> |
|---------------------------|-------------------------------------------|-------------------------------------------------------|
| <b>At January 1, 2023</b> | <b>3,509</b>                              | <b>6.94</b>                                           |
| Granted                   | 452                                       | 3.38                                                  |
| Forfeit                   | (89)                                      | 7.60                                                  |
| Settled (i)               | (643)                                     | 6.84                                                  |
| <b>At March 31, 2023</b>  | <b>3,229</b>                              | <b>6.44</b>                                           |

(i) The number of RSUs withheld for tax purposes was 187.3 thousand shares.

The fair value of the restricted stock units granted was calculated using the same Target Asset Price used in the Stock Options appraisal model.

For the three-month period ended March 31, 2023, there was US\$14,230 of remaining unamortized compensation costs, including social charges, related to unvested stock options and RSUs granted to the Group's employees. This cost will be recognized over an estimated weighted average remaining period of 1.77 years. Total unamortized compensation costs will be adjusted for future changes in estimated forfeitures.

The total expense, including taxes and social charges related to the share-based compensation plan for the three-month period ended March 31, 2023, was US\$4,300 (the three-month period ended March 31, 2022: US\$2,413). For the period ended March 31, 2023, the Group recorded in the capital reserve the amount of US\$4,150 (the three-month period ended March 31, 2022: US\$2,587).

## 17.2 Share-based compensation: Loja Integrada

On April 29, 2021, VTEX introduced a new share-based compensation plan to selected directors and employees as a stock-option and RSU plan in Loja Integrada, a subsidiary wholly owned. This share-based compensation plan also has RSU and Stock Options. Under both stock-option plan and RSUs, the options have a term of 7 years as of the grant date. They are exercisable as long as the director or employee fulfills the worked periods after the options are granted.

Set out below are summaries of options granted under the plan:

|                                                       | Number of<br>options<br>(thousands) | Weighted<br>average<br>exercise price | Remaining<br>contractual<br>terms in years | Weighted<br>average grant<br>date fair value |
|-------------------------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------------|----------------------------------------------|
| <b>At January 1, 2023</b>                             | <b>8.42</b>                         | <b>13.48</b>                          | <b>5.35</b>                                | <b>5.66</b>                                  |
| Granted                                               | -                                   | -                                     | -                                          | -                                            |
| Forfeit                                               | -                                   | -                                     | -                                          | -                                            |
| Exercised                                             | -                                   | -                                     | -                                          | -                                            |
| <b>At March 31, 2023</b>                              | <b>8.42</b>                         | <b>14.06</b>                          | <b>5.11</b>                                | <b>5.90</b>                                  |
| <b>Stock options exercisable as of March 31, 2023</b> | <b>8.42</b>                         | <b>14.06</b>                          | <b>5.11</b>                                | <b>5.90</b>                                  |

The fair value of the stock options granted was calculated based on the Binomial Options Pricing Model considering the average contract term. The model inputs for options included:

- Strike Price - Average price weighted by the quantity granted;
- Target Asset Price - The trading price closest to the granting date of the options or the trading price derived from an independent valuation report;
- Risk-Free Interest Rate - Future CDI, according to the contractual term;
- Volatility - According to comparable peer entities listed on the stock exchange.

The weighted average inputs used in the three-month period ended March 31, 2023:

- Target Asset Price - Not applicable for the period (December 31, 2022 - US\$13.06 per share)
- Risk-free interest rate in Brazilian Reais - Not applicable for the period (December 31, 2022: 8.81%)
- Volatility - Not applicable for the period (December 31, 2022: 47.69%)
- Expected dividend: None

The following table summarizes the RSU options granted under the plan:

|                           | Number of<br>RSUs<br>(thousands) | Weighted<br>average grant<br>date fair value |
|---------------------------|----------------------------------|----------------------------------------------|
| <b>At January 1, 2023</b> | <b>285.28</b>                    | <b>6.42</b>                                  |
| Granted                   | -                                | -                                            |
| Forfeit                   | (2.14)                           | 8.08                                         |
| Settled (i)               | (26.80)                          | 8.08                                         |
| <b>At March 31, 2023</b>  | <b>256.34</b>                    | <b>6.54</b>                                  |

(i) The number of RSUs withheld for tax purposes was 0.1 thousand shares.

**VTEX****Notes to the condensed consolidated interim financial statements****(Unaudited)****In thousands of U.S. dollars, unless otherwise indicated**

For the three-month period ended March 31, 2023, there was US\$851 of remaining unamortized compensation cost, including social charges, related to unvested stock options and RSUs granted to the Group's employees. This cost will be recognized over an estimated weighted-average remaining period of 1.92 years. Total unamortized compensation costs will be adjusted for future changes in estimated forfeitures.

The total expense, including taxes and social charges related to the Loja Integrada share-based compensation plan for the three-month period ended March 31, 2023, was US\$770 (the three-month period ended March 31, 2022: US\$61). For the period ended March 31, 2023, the Group recorded in the capital reserve the amount of US\$116 (the three-month period ended March 31, 2022: US\$512).

**17.3 Amounts recognized in the statement of profit or loss**

The following table illustrates the classification of stock-based compensation in the Consolidated Statements of profit and loss which includes both stock-based compensation of VTEX and Loja Integrada:

|                            | <b>Three months ended</b> |                       |
|----------------------------|---------------------------|-----------------------|
|                            | <b>March 31, 2023</b>     | <b>March 31, 2022</b> |
| Subscription cost          | (21)                      | (87)                  |
| Services cost              | (145)                     | (26)                  |
| General and administrative | (1,714)                   | (989)                 |
| Sales and marketing        | (1,319)                   | (729)                 |
| Research and development   | (1,871)                   | (643)                 |
| <b>Total</b>               | <b>(5,070)</b>            | <b>(2,474)</b>        |

**VTEX****Notes to the condensed consolidated interim financial statements****(Unaudited)****In thousands of U.S. dollars, unless otherwise indicated****18 Financial Instruments**

The Company classifies its financial assets and liabilities under the following categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification by category and the corresponding accounting policies of each financial instrument in these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended on December 31, 2022.

**(i) Financial instruments valued at amortized cost**

The Group has the following financial instruments valued at amortized cost:

|                               | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------|-----------------------|------------------------------|
| <b>Financial assets:</b>      |                       |                              |
| Cash and cash equivalents     | 21,891                | 24,394                       |
| Restricted cash               | 600                   | 1,608                        |
| Marketable securities         | 9,908                 | 10,119                       |
| Trade receivables             | 42,651                | 42,276                       |
| Other assets                  | 1,127                 | -                            |
| <b>Total</b>                  | <b>76,177</b>         | <b>78,397</b>                |
| <b>Financial liabilities:</b> |                       |                              |
| Trade payables                | 14,479                | 14,064                       |
| Lease liabilities             | 5,530                 | 5,635                        |
| Loans and financing           | 522                   | 1,153                        |
| <b>Total</b>                  | <b>20,531</b>         | <b>20,852</b>                |

**VTEX**  
**Notes to the condensed consolidated interim financial statements**  
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**(ii) Financial instruments valued at fair value through profit or loss**

The Group has the following financial instruments valued at fair value through profit or loss:

|                                      | Carrying amount |                   |
|--------------------------------------|-----------------|-------------------|
|                                      | March 31, 2023  | December 31, 2022 |
| <b>Financial assets:</b>             |                 |                   |
| Short-term investments               | 199,094         | 204,045           |
| Derivative financial instruments (i) | 54              | 117               |
| <b>Total</b>                         | <b>199,148</b>  | <b>204,162</b>    |

|                                                              | Carrying amount |                   |
|--------------------------------------------------------------|-----------------|-------------------|
|                                                              | March 31, 2023  | December 31, 2022 |
| <b>Financial liabilities:</b>                                |                 |                   |
| Accounts payable from acquisition of subsidiary ("earn out") | -               | 299               |
| <b>Total</b>                                                 | <b>-</b>        | <b>299</b>        |

(i) In 2022, VTEX ARG had positions in future derivative financial instruments raised through Matba Rofex designated as a protection from hyperinflation and exchange rate devaluation in Argentina. The notional value is US\$5,000 and the last maturity date is in July 2023.

For the three-month period ended March 31, 2023, the Group had positions in Swap derivative financial instruments designated as a hedge of foreign currency debt, raised through Itaú bank. The hedge contracts had maturity dates equal to those of the loan raised in foreign currency (note 11), which was also raised through Itaú bank. The last hedge contract matures in May 2023. Additionally, on March 31, 2023, the Group also had positions in future derivative financial instruments designated as a hedge of foreign currency risk related in Argentina. The hedge contracts had maturity dates equal to those of the principal, which was raised through Matba Rofex. The last hedge contract is due July 2023.

The following amounts were recognized in profit or loss in relation to financial instruments:

|                                          | Three months ended |                |
|------------------------------------------|--------------------|----------------|
|                                          | March 31, 2023     | March 31, 2022 |
| Net gain (loss) on financial instruments | 77                 | (80)           |

The following amounts were recognized in profit or loss in relation to marketable securities and short-term investments:

|                                                                     | Three months ended |                |
|---------------------------------------------------------------------|--------------------|----------------|
|                                                                     | March 31, 2023     | March 31, 2022 |
| Net gain (loss) on marketable securities and short-term investments | 3,304              | (3,795)        |

**VTEX****Notes to the condensed consolidated interim financial statements****(Unaudited)****In thousands of U.S. dollars, unless otherwise indicated****a. Fair value hierarchy**

This section provides details about the judgments and estimates made for determining the fair values of the financial instruments recognized and measured at fair value in the financial statements. The Group has classified its financial instruments into the three levels prescribed under the accounting standards to indicate the reliability of the inputs used in determining fair value. An explanation of each level follows underneath the table.

|                                                              | <b>March 31, 2023</b>    |                |                |
|--------------------------------------------------------------|--------------------------|----------------|----------------|
|                                                              | <b>Level 1</b>           | <b>Level 2</b> | <b>Level 3</b> |
| <b>Assets</b>                                                |                          |                |                |
| Short-term investments                                       | 199,094                  | -              | -              |
| Derivative financial instruments                             | -                        | 54             | -              |
|                                                              |                          |                |                |
|                                                              | <b>December 31, 2022</b> |                |                |
|                                                              | <b>Level 1</b>           | <b>Level 2</b> | <b>Level 3</b> |
| <b>Assets</b>                                                |                          |                |                |
| Short-term investments                                       | 204,045                  | -              | -              |
| Derivative financial instruments                             | -                        | 117            | -              |
|                                                              |                          |                |                |
| <b>Liabilities</b>                                           |                          |                |                |
| Accounts payable from acquisition of subsidiary ("earn-out") | -                        | -              | 299            |

There were no transfers between levels 1, 2, and 3 for recurring fair value measurements during the first three months of 2023.

*Fair value measurements using significant unobservable inputs (level 3)*

The fair value of the earn-out classified as level 3 is calculated based on the judgment of the Group and the probability of meeting the goals of each acquisition made during the year. The Sale and Purchase agreement of each acquisition is established if the clients of the acquired entities migrate to the Groups platform and reach an agreed amount, the seller will be entitled to an earn-out. As at March 31, 2023, the fair value of the earn-out was nil (December 31, 2022 - US\$299 ).

The following table presents changes in the maximum earn-out, which are the only level 3 items for the three months ended March 31, 2023:

|                                     | <b>2023</b> |
|-------------------------------------|-------------|
| <b>Opening balance on January 1</b> | <b>299</b>  |
| Earn-out adjustment                 | (299)       |
| Exchange differences                | -           |
| <b>Closing balance on March 31</b>  | <b>-</b>    |

**VTEX****Notes to the condensed consolidated interim financial statements****(Unaudited)****In thousands of U.S. dollars, unless otherwise indicated****b. Fair values of other financial instruments (unrecognized)**

The Group also has several financial instruments which are not measured at fair value in the balance sheet. As at March 31, 2023, these instruments' fair values are not different from their carrying amounts since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Differences were identified for the following instruments at March 31, 2023:

|                               | <u>Carrying amount</u> | <u>Fair value</u> |
|-------------------------------|------------------------|-------------------|
| <b>Financial assets:</b>      |                        |                   |
| Marketable securities         | 9,908                  | 10,174            |
| <b>Total</b>                  | <b>9,908</b>           | <b>10,174</b>     |
| <b>Financial liabilities:</b> |                        |                   |
| Loans and financing           | 522                    | 416               |
| <b>Total</b>                  | <b>522</b>             | <b>416</b>        |

**18.2 Financial risk management**

The risk management of the Group is predominantly controlled by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates, and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management and policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments, and investment of excess liquidity.

**19 Subsequent events**

During April and May of 2023, the Company canceled 525,143 Class A common shares, of which 82,559 shares were held in treasury as of March 31, 2023, and 442,584 were repurchased after March 31, 2023 under the repurchase share program.

## Item 2 – Management’s discussion and analysis of financial condition and results of operations

*This Management’s Discussion and Analysis of Financial Condition and Results of Operations section may contain certain forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events may differ significantly from those expressed or implied in such forward-looking statements for several reasons, including those described in our prior filings with the U.S. Securities and Exchange Commission.*

*The following analysis and discussion of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated interim financial statements as of March 31, 2023 and for the three months ended March 31, 2023 and 2022 included elsewhere in this document.*

### Overview

VTEX is the enterprise digital commerce platform where global brands and retailers run their world of commerce. Our platform is designed to be the operating system for the commerce ecosystem, enabling enterprise brands and retailers to orchestrate their complex network of consumers, business partners, suppliers, and fulfillment providers in one place. VTEX puts its customers’ business on a fast path to growth with a complete Commerce, Marketplace, and OMS solution. We help global companies build, manage and deliver native and advanced B2B, B2C, and Marketplace commerce experiences with competitive time-to-market and without complexity so they can stay relevant for the modern, convenience driven consumer.

Our platform enables our customers to execute their commerce strategy, including building online stores, integrating and managing orders across channels, and creating marketplaces to sell products from third-party vendors. VTEX has been a leader in accelerating the digital commerce transformation in Latin America and is expanding globally. Our platform is engineered to enterprise-level standards and functionality with approximately 84% of our GMV coming from large, blue-chip companies (i.e. customers with more than US\$10 million of GMV per year). We are trusted by more than 2,600 customers with over 3,400 active online stores across 38 countries to connect with their consumers in a meaningful way.

We benefit from the acceleration of digitalization globally, and in particular in Latin America, where ecommerce is still underpenetrated. Accelerating ecommerce growth, evolving consumer expectations and the proliferation of digital shopping alternatives are raising the bar for brands and retailers to stay relevant. Legacy structures developed over years force enterprises to choose between deep customization and speed to market. Our technology combined with our ecosystem of partners solves this problem. We deliver flexibility and simplicity to complex, mission critical commerce operations. We were named a leader in the IDC MarketScape: Worldwide B2C Digital Commerce Platforms 2020 Vendor Assessment, and a “Strong Performer” in the Gartner Peer Insights ‘Voice of the Customer’: Digital Commerce, January 2022 report. We were also recognized as Visionary in the Gartner® Magic Quadrant™ for Digital Commerce, August 2022 report. Additionally, we were named a “Contender” in The Forrester Wave™: B2C Commerce Solutions and VTEX was awarded medals in each one of the 12 categories evaluated in the “Paradigm B2B Combine 2022 Digital Commerce Solutions for B2B, Midmarket edition”.

We offer access to our platform on a subscription basis, which accounted for 94.0% of our revenue for the three months ended March 31, 2023, compared to 94.0% of our revenue for the three months ended March 31, 2022. Our subscription revenue is based on a fixed subscription fee and a transaction-based fee. The transaction-based fee accounts for most of our subscription revenues and is primarily structured as a take rate or percentage of the total value of the orders processed through our platform, including value added taxes and shipping, which we refer to as our GMV. Our transaction-based fee model aligns our success with our customers’ success and our revenue grows as our customers’ GMV grows. In the three months ended March 31, 2023, our GMV increased to US\$3.3 billion from US\$2.7 billion in the three months ended March 31, 2022 representing an increase of 21.7% in USD and 20.6% on an FX neutral basis. In the same period, our revenue increased to US\$42.3 million from US\$34.7 million, representing an increase of 22.0% in USD and 22.2% on an FX neutral basis.

### Key metric— Gross merchandise value

The key metric we use to measure our performance, identify trends affecting our business, formulate our business plan projections and support our strategic decisions is GMV. Due to the seasonality of ecommerce and the foreign exchange effects resulting from the volatility of the currencies of the jurisdictions where we operate (particularly Latin America countries) vis-à-vis the U.S. Dollar (which is our functional currency), our management compares GMV on a year-over-year and foreign exchange neutral basis. The foreign exchange neutral measures are calculated by using the average monthly exchange rates for each month during the previous year, adjusted by inflation in countries with hyper-inflation, and applying them to the corresponding months of the current year, so as to calculate what our results would have been had exchange rates remained stable from one year to the next.

GMV is the total value of customer orders processed through our platform, including value added taxes and shipping. Our GMV does not include the value of orders processed by our SMB customers or B2B transactions. Due to our transaction-based subscription model, we believe that GMV growth is linked with our revenue growth and we track GMV as an indicator of the success of our customers, the performance of the platform and our market share.

|                           | Three months ended                                               |                |
|---------------------------|------------------------------------------------------------------|----------------|
|                           | March 31, 2023                                                   | March 31, 2022 |
|                           | <i>(in millions of U.S. Dollars, unless otherwise indicated)</i> |                |
| GMV                       | 3,303.7                                                          | 2,714.6        |
| GMV growth FX neutral (%) | 20.6%                                                            | 27.9%          |

## Seasonality and quarterly operations results

Our transaction-based subscription model, similar to most retail businesses, experiences seasonal fluctuations. Historically, we have generated higher net sales in the fourth quarter, as a consequence of the concentration of special dates during that quarter.

The following table sets forth our quarterly condensed consolidated interim statements of profit or loss data for each of the last historical nine quarters. The condensed consolidated interim statements of profit or loss data below has been prepared on the same basis as the unaudited consolidated financial statements included elsewhere in this document and, in our opinion, reflects all necessary adjustments, consisting only of ordinary course recurring adjustments, necessary to present this information fairly and accurately. These historical quarterly results of operations are not necessarily indicative of the results of operations for any future period. In particular, since the second quarter of 2020 we were positively affected by the ecommerce surge as a consequence of lockdowns during the COVID-19 Pandemic. We expect seasonal patterns to remain reasonably similar as in prior years and we believe that the expansion of ecommerce may normalize once the COVID-19 pandemic is sufficiently controlled, which may adversely affect our financial performance and operating metrics in the future. See below “—Impacts of the COVID-19 Pandemic.”.

| (in US\$ millions)                                 | For the three months ended<br>(unaudited) |                  |                       |                      |                   |                  |                       |                      |                   |
|----------------------------------------------------|-------------------------------------------|------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|----------------------|-------------------|
|                                                    | March<br>31, 2021                         | June<br>30, 2021 | September<br>30, 2021 | December<br>31, 2021 | March<br>31, 2022 | June 30,<br>2022 | September<br>30, 2022 | December<br>31, 2022 | March<br>31, 2023 |
| Subscription revenue                               | 24.7                                      | 29.7             | 29.6                  | 34.5                 | 32.6              | 36.7             | 36.5                  | 42.7                 | 39.8              |
| Services revenue                                   | 1.3                                       | 1.2              | 2.2                   | 2.6                  | 2.1               | 2.1              | 2.2                   | 2.8                  | 2.5               |
| <b>Total revenue</b>                               | <b>25.9</b>                               | <b>30.9</b>      | <b>31.9</b>           | <b>37.1</b>          | <b>34.7</b>       | <b>38.7</b>      | <b>38.8</b>           | <b>45.5</b>          | <b>42.3</b>       |
| Subscription cost                                  | (8.7)                                     | (9.5)            | (9.7)                 | (10.5)               | (10.0)            | (10.2)           | (9.8)                 | (11.5)               | (10.4)            |
| Services cost                                      | (2.1)                                     | (2.8)            | (3.1)                 | (3.3)                | (2.6)             | (2.8)            | (2.9)                 | (3.1)                | (4.2)             |
| <b>Total cost</b>                                  | <b>(10.8)</b>                             | <b>(12.2)</b>    | <b>(12.8)</b>         | <b>(13.8)</b>        | <b>(12.6)</b>     | <b>(13.0)</b>    | <b>(12.6)</b>         | <b>(14.6)</b>        | <b>(14.6)</b>     |
| <b>Gross profit</b>                                | <b>15.1</b>                               | <b>18.7</b>      | <b>19.1</b>           | <b>23.4</b>          | <b>22.1</b>       | <b>25.7</b>      | <b>26.1</b>           | <b>30.9</b>          | <b>27.7</b>       |
| <b>Operating expenses</b>                          |                                           |                  |                       |                      |                   |                  |                       |                      |                   |
| General and administrative                         | (7.2)                                     | (7.8)            | (9.9)                 | (6.9)                | (6.9)             | (7.4)            | (6.9)                 | (7.1)                | (7.9)             |
| Sales and marketing                                | (11.0)                                    | (15.7)           | (19.3)                | (17.5)               | (17.9)            | (21.3)           | (16.2)                | (12.4)               | (14.8)            |
| Research and development                           | (8.4)                                     | (10.7)           | (14.2)                | (11.9)               | (13.9)            | (15.4)           | (13.8)                | (14.1)               | (14.0)            |
| Other income (losses)                              | (0.4)                                     | (0.9)            | 0.0                   | (0.2)                | 0.0               | (0.5)            | (0.5)                 | (0.4)                | (0.8)             |
| <b>Loss from operation</b>                         | <b>(12.0)</b>                             | <b>(16.4)</b>    | <b>(24.4)</b>         | <b>(13.1)</b>        | <b>(16.7)</b>     | <b>(18.9)</b>    | <b>(11.3)</b>         | <b>(3.0)</b>         | <b>(9.7)</b>      |
| <b>Financial result, net</b>                       | <b>(1.4)</b>                              | <b>(1.4)</b>     | <b>(0.6)</b>          | <b>(1.4)</b>         | <b>(4.7)</b>      | <b>(5.4)</b>     | <b>(0.2)</b>          | <b>2.7</b>           | <b>1.5</b>        |
| Equity results                                     | 0.1                                       | 0.1              | 0.2                   | 0.2                  | 0.2               | 0.3              | 0.3                   | 0.3                  | 0.3               |
| <b>Income (loss) before income tax</b>             | <b>(13.3)</b>                             | <b>(17.6)</b>    | <b>(24.8)</b>         | <b>(14.3)</b>        | <b>(21.2)</b>     | <b>(24.1)</b>    | <b>(11.2)</b>         | <b>0.0</b>           | <b>(7.9)</b>      |
| Income tax                                         | 0.8                                       | 2.1              | 2.8                   | 3.7                  | 2.1               | 2.6              | (0.3)                 | (0.3)                | (0.0)             |
| <b>Net loss for the period</b>                     | <b>(12.5)</b>                             | <b>(15.5)</b>    | <b>(22.0)</b>         | <b>(10.6)</b>        | <b>(19.1)</b>     | <b>(21.5)</b>    | <b>(11.5)</b>         | <b>(0.3)</b>         | <b>(7.9)</b>      |
| <b>Earnings (loss) per share</b>                   |                                           |                  |                       |                      |                   |                  |                       |                      |                   |
| Basic and diluted earnings (loss) per share (US\$) | <b>(0.07)</b>                             | <b>(0.09)</b>    | <b>(0.12)</b>         | <b>(0.06)</b>        | <b>(0.10)</b>     | <b>(0.11)</b>    | <b>(0.06)</b>         | <b>(0.00)</b>        | <b>(0.04)</b>     |

The following table sets forth selected condensed consolidated interim statements of profit or loss data for each of the periods indicated as a percentage of total revenue.

|                                        | For the three months ended<br>(unaudited) |                  |                       |                      |                   |                  |                       |                      |                   |
|----------------------------------------|-------------------------------------------|------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|----------------------|-------------------|
|                                        | March<br>31, 2021                         | June<br>30, 2021 | September<br>30, 2021 | December<br>31, 2021 | March<br>31, 2022 | June<br>30, 2022 | September<br>30, 2022 | December<br>31, 2022 | March<br>31, 2023 |
| <b>Total revenue</b>                   | 100.0%                                    | 100.0%           | 100.0%                | 100.0%               | 100.0%            | 100.0%           | 100.0%                | 100.0%               | 100.0%            |
| Subscription cost                      | (33.6)%                                   | (30.6)%          | (30.6)%               | (28.2)%              | (28.8)%           | (26.3)%          | (25.2)%               | (25.3)%              | (24.6)%           |
| Services cost                          | (8.1)%                                    | (8.9)%           | (9.6)%                | (8.9)%               | (7.5)%            | (7.3)%           | (7.4)%                | (6.8)%               | (9.9)%            |
| <b>Total cost</b>                      | <b>(41.8)%</b>                            | <b>(39.6)%</b>   | <b>(40.1)%</b>        | <b>(37.1)%</b>       | <b>(36.3)%</b>    | <b>(33.6)%</b>   | <b>(32.6)%</b>        | <b>(32.1)%</b>       | <b>(34.4)%</b>    |
| <b>Gross profit</b>                    | <b>58.2%</b>                              | <b>60.4%</b>     | <b>59.9%</b>          | <b>62.9%</b>         | <b>63.7%</b>      | <b>66.4%</b>     | <b>67.4%</b>          | <b>67.9%</b>         | <b>65.6%</b>      |
| <b>Operating expenses</b>              |                                           |                  |                       |                      |                   |                  |                       |                      |                   |
| General and administrative             | (27.9)%                                   | (25.3)%          | (31.2)%               | (18.6)%              | (19.9)%           | (19.2)%          | (17.9)%               | (15.5)%              | (18.7)%           |
| Sales and marketing                    | (42.6)%                                   | (50.9)%          | (60.7)%               | (47.0)%              | (51.6)%           | (55.1)%          | (41.7)%               | (27.3)%              | (35.0)%           |
| Research and development               | (32.5)%                                   | (34.6)%          | (44.5)%               | (32.1)%              | (40.1)%           | (39.8)%          | (35.6)%               | (30.9)%              | (33.0)%           |
| Other income (losses)                  | (1.7)%                                    | (2.8)%           | 0.0%                  | (0.6)%               | 0.0%              | (1.2)%           | (1.3)%                | (0.9)%               | (1.8)%            |
| <b>Loss from operation</b>             | <b>(46.4)%</b>                            | <b>(53.1)%</b>   | <b>(76.5)%</b>        | <b>(35.4)%</b>       | <b>(48.1)%</b>    | <b>(48.9)%</b>   | <b>(29.1)%</b>        | <b>(6.7)%</b>        | <b>(23.0)%</b>    |
| <b>Financial result, net</b>           | <b>(5.2)%</b>                             | <b>(4.4)%</b>    | <b>(1.8)%</b>         | <b>(3.7)%</b>        | <b>(13.5)%</b>    | <b>(14.0)%</b>   | <b>(0.5)%</b>         | <b>5.9%</b>          | <b>3.4%</b>       |
| Equity results                         | 0.4%                                      | 0.5%             | 0.5%                  | 0.5%                 | 0.6%              | 0.7%             | 0.7%                  | 0.8%                 | 0.8%              |
| <b>Income (loss) before income tax</b> | <b>(51.3)%</b>                            | <b>(57.0)%</b>   | <b>(77.7)%</b>        | <b>(38.6)%</b>       | <b>(61.1)%</b>    | <b>(62.2)%</b>   | <b>(28.9)%</b>        | <b>0.1%</b>          | <b>(18.7)%</b>    |
| Income tax                             | 3.2%                                      | 6.9%             | 8.8%                  | 10.0%                | 6.1%              | 6.8%             | (0.9)%                | (0.8)%               | (0.0)%            |
| <b>Net loss for the period</b>         | <b>(48.1)%</b>                            | <b>(50.1)%</b>   | <b>(68.9)%</b>        | <b>(28.6)%</b>       | <b>(55.0)%</b>    | <b>(55.4)%</b>   | <b>(29.8)%</b>        | <b>(0.7)%</b>        | <b>(18.8)%</b>    |

The following table sets forth our Non-GAAP income (loss) from operations for each of the periods indicated:

|                                                     | March<br>31, 2021 | June<br>30, 2021 | September<br>30, 2021 | December<br>31, 2021 | March<br>31, 2022 | June<br>30, 2022 | September<br>30, 2022 | December<br>31, 2022 | March<br>31, 2023 |
|-----------------------------------------------------|-------------------|------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|----------------------|-------------------|
| Loss from operation                                 | (12.0)            | (16.4)           | (24.4)                | (13.1)               | (16.7)            | (18.9)           | (11.3)                | (3.0)                | (9.7)             |
| Share-based compensation expense                    | 3.2               | 5.5              | 9.3                   | 1.6                  | 2.5               | 0.9              | 4.8                   | 4.6                  | 5.1               |
| Amortization of intangibles related to acquisitions | 0.3               | 0.5              | 0.5                   | 0.8                  | 0.5               | 0.6              | 0.5                   | 0.5                  | 0.5               |
| Offering expenses ("IPO") (i)                       | -                 | -                | 1.3                   | -                    | -                 | -                | -                     | -                    | -                 |
| <b>Non-GAAP Income (loss) from operation</b>        | <b>(8.5)</b>      | <b>(10.4)</b>    | <b>(13.3)</b>         | <b>(10.9)</b>        | <b>(13.7)</b>     | <b>(17.4)</b>    | <b>(6.0)</b>          | <b>2.1</b>           | <b>(4.1)</b>      |

(i) Offering expenses ("IPO") are related to shares offered by the selling shareholders and other one-off IPO expenses.

### Impacts of the COVID-19 pandemic

As a result of the COVID-19 pandemic, which was declared a global pandemic by the World Health Organization in March 2020, the ecommerce market experienced a surge in growth. Governments encouraged consumers to stay at home for extended periods of time, and retail purchases shifted from offline and brick-and-mortar purchases to online ecommerce, as companies accelerated the digitalization of their businesses. Consequently, ecommerce sales in our major markets have increased significantly. Our business responded to the shifting commerce dynamics and enabled our customers to rapidly scale and digitally transform their businesses during the COVID-19 pandemic. This increase in GMV of our customers has resulted in significant revenue growth for us, driven predominantly by increases in our transaction-based fees.

Even though the online purchasing trend demonstrated to have staying power through 2021 and 2022, we started to see a mean reversion towards the pre-pandemic ecommerce levels of growth. Our customer's online channels experienced a decrease in growth rates, which affected our business growth, financial condition, and operating results. As the COVID-19 pandemic is increasingly controlled, we expect that the decrease in such growth rates will continue. While we believe that the structural shifts that favor ecommerce will continue as the world recovers from COVID-19, we do not expect to experience the same growth in our business going forward.

### Components of our results of operations

The following is a summary of the principal line items comprising condensed consolidated interim statements of profit or loss.

#### ***Total revenue***

Our total revenue consists of (1) subscription and support revenue, arising from a multichannel cloud and SaaS-based platform focused on ecommerce; and (2) revenue from professional services and other, arising substantially from consulting services.

#### *Subscription revenue*

Subscription revenue consists of revenue derived from (1) a mix of transaction-based fees and fixed subscription fees, in each case derived from customers using our platform; (2) our SMB business; and (3) other business units that generate recurring revenue to us.

Transaction-based fees comprise (a) commission fees charged to customers based on a percentage of the GMV or a fee per order processed on our platform; and (b) commission fees charged to marketplace partners, payment providers, and any other services provided through our app store.

Fixed subscription fees comprise (a) yearly or multi-year upfront fees paid by merchants to reduce future variable fees. In case of early termination of the annual upfront fees, we refund merchants for the remaining term of the contract; and (b) fixed monthly fee for using our platform in any given month. Fixed fees are paid to us at the beginning of the applicable subscription period, regardless of the length of the subscription period. As subscription fees are received in advance of providing the related services, we record deferred revenue on our consolidated balance sheet for the unearned revenue and recognize revenue ratably over the related subscription period.

#### Services revenue

Services revenue consists primarily of revenue derived from consulting services which are recognized over time during the period that services are performed. Services revenue accounted for 6.0% of our revenue for the three months ended March 31, 2023, compared to 6.0% for the three months ended March 31, 2022.

#### **Cost of revenue**

Our total cost consists of (1) subscription cost; and (2) services cost.

#### Subscription cost of revenue

Subscription cost consists mainly of costs related to hosting related and customer support costs. The hosting related costs include third-party providers, software related platform operating costs, and compensation for our infrastructure team. Support costs are mostly driven by personnel cost, and represent expenses related to the support we provide to our customers.

#### Services cost of revenue

Services cost consist mainly of personnel costs and/or third-party expenses to provide the professional services advisory for a specific project of a customer project.

#### **Operating expenses**

Our operating expenses consist of general and administrative expenses, sales and marketing expenses, and research and development expenses.

General and administrative expenses consist primarily of (1) personnel-related expenses (including stock-based compensation) for our finance, support operation departments, legal and compliance teams; (2) corporate expenses; and (3) corporate overhead allocation. General and administrative expenses also include costs related to business acquisitions, legal and other professional services fees and depreciation and amortization.

Sales and marketing expenses consist primarily of (1) personnel-related expenses (including stock-based compensation) and commissions paid to the direct sales team, the success team, partnership sales team and sales enablement team; (2) travel-related expenses; (3) marketing and events expenses; (4) finder fee commissions; and (5) the allocation of corporate overhead. We plan to continue to incur sales and marketing expenses in the regions that we currently have a presence as well as in new regions over time in order to continue to enhance our brand awareness and our capabilities to attract new customers.

Research and development expenses consist primarily of (1) personnel-related expenses (including stock-based compensation) for product development, product management and product design; (2) software subscription costs related to the product; and (3) the allocation of corporate overhead. We expect to increase the research and development expenses to continue investing in product innovation, and in the development of new products.

## Financial results

Financial results consist of financial income and financial expenses. Financial income consists mostly of interest earned on bank deposits, foreign exchange gains, short-term investment gains and other financial income. Financial expense consists mostly of foreign exchange losses, short-term investment losses, losses from fair value of financial instruments, interest on lease liabilities and adjustment of hyperinflation in Argentina.

## Income tax

Provision for income taxes consists primarily of income taxes, current and deferred, in certain foreign jurisdictions in which we conduct business. The current and deferred income taxes are calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries in which we operate and generate taxable income.

## Historical operations results

### Comparison of results of operations for the three months ended March 31, 2023 and 2022

The following table sets forth our condensed consolidated interim statements of profit or loss for the three months ended March 31, 2023 and 2022. The period-to-period comparison of financial results is not necessarily indicative of future results.

| (in US\$ thousands)            | Three months ended |                 |
|--------------------------------|--------------------|-----------------|
|                                | March 31, 2023     | March 31, 2022  |
| Subscription revenue           | 39,762             | 32,580          |
| Services revenue               | 2,520              | 2,087           |
| <b>Total revenue</b>           | <b>42,282</b>      | <b>34,667</b>   |
| Subscription cost (1)          | (10,400)           | (9,996)         |
| Service cost (1)               | (4,166)            | (2,607)         |
| <b>Total cost</b>              | <b>(14,566)</b>    | <b>(12,603)</b> |
| <b>Gross profit</b>            | <b>27,716</b>      | <b>22,064</b>   |
| <b>Operating expenses</b>      |                    |                 |
| General and administrative (1) | (7,925)            | (6,921)         |
| Sales and marketing (1)        | (14,782)           | (17,900)        |
| Research and development (1)   | (13,959)           | (13,925)        |
| Other income (losses)          | (754)              | 8               |
| <b>Loss from operations</b>    | <b>(9,704)</b>     | <b>(16,674)</b> |
| <b>Financial result, net</b>   | <b>1,456</b>       | <b>(4,721)</b>  |
| Equity results                 | 341                | 219             |
| <b>Loss before income tax</b>  | <b>(7,907)</b>     | <b>(21,176)</b> |
| Total income tax               | (21)               | 2,085           |
| <b>Net loss for the period</b> | <b>(7,928)</b>     | <b>(19,091)</b> |

(1) Includes stock-based compensation expenses as follows:

| (in US\$ thousands)        | Three months ended |                |
|----------------------------|--------------------|----------------|
|                            | March 31, 2023     | March 31, 2022 |
| Subscription cost          | (21)               | (87)           |
| Service cost               | (145)              | (26)           |
| General and administrative | (1,714)            | (989)          |
| Sales and marketing        | (1,319)            | (729)          |
| Research and development   | (1,871)            | (643)          |
| <b>Total</b>               | <b>(5,070)</b>     | <b>(2,474)</b> |

### ***Total revenue***

The components of our total revenue during the three-month period ended on March 31, 2023 and 2022 were as follows:

| <i>(in US\$ thousands,<br/>except percentages)</i> | Three months ended |                |              |
|----------------------------------------------------|--------------------|----------------|--------------|
|                                                    | March 31, 2023     | March 31, 2022 | Variation    |
| Subscription revenue                               | 39,762             | 32,580         | 22.0%        |
| Services revenue                                   | 2,520              | 2,087          | 20.7%        |
| <b>Total revenue</b>                               | <b>42,282</b>      | <b>34,667</b>  | <b>22.0%</b> |

Total revenue for the three months ended March 31, 2023 was US\$42.3 million, an increase of US\$7.6 million, or 22.0% in US\$ or 22.2% on an FX neutral basis, from US\$34.7 million in the same period of 2022. The increase in total revenue was primarily driven by: an increase in GMV of 21.7% in US\$ or 20.6% on an FX neutral basis to US\$3.3 billion for the three months ended March 31, 2023, from US\$2.7 billion in the same period of 2022, which also led to higher revenues from transaction-based fees as percentage of total subscription revenues and the expansion of our operations outside of Brazil.

### ***Total cost***

The components of our total cost during the three-month period ended on March 31, 2023 and 2022 were as follows:

| <i>(in US\$ thousands,<br/>except percentages)</i> | Three months ended |                 |              |
|----------------------------------------------------|--------------------|-----------------|--------------|
|                                                    | March 31, 2023     | March 31, 2022  | Variation    |
| Subscription cost                                  | (10,400)           | (9,996)         | 4.0%         |
| Services cost                                      | (4,166)            | (2,607)         | 59.8%        |
| <b>Total cost</b>                                  | <b>(14,566)</b>    | <b>(12,603)</b> | <b>15.6%</b> |

Total cost for the three months ended March 31, 2023 increased by US\$2.0 million, or 15.6%, to US\$14.6 million for the three months ended March 31, 2023 from US\$12.6 million in the same period of 2022, principally due to an increase in total cost of services by US\$1.6 million.

### ***Gross profit***

As a result of the above, our gross profit increased by US\$5.7 million, or 25.6% to US\$27.7 million for the three months ended March 31, 2023 from US\$22.1 million in the same period of 2022. As a percentage of our total revenue, our gross profit increased to 65.6% in the three months ended March 31, 2023 from 63.6% in the three months ended March 31, 2022, mainly due to operational hosting cost efficiencies.

## ***Operating expenses***

### ***General and administrative***

General and administrative expenses during the three-month period ended on March 31, 2023 and 2022 were as follows:

| <i>(in US\$ thousands,<br/>except percentages)</i> | <b>Three months ended</b> |                       |                  |
|----------------------------------------------------|---------------------------|-----------------------|------------------|
|                                                    | <b>March 31, 2023</b>     | <b>March 31, 2022</b> | <b>Variation</b> |
| General and administrative                         | (7,925)                   | (6,921)               | 14.5%            |
| Percentage of total revenue                        | (18.7)%                   | (20.0)%               | -                |

Our general and administrative expenses increased by US\$1.0 million, or 14.5%, to US\$7.9 million for the three months ended March 31, 2023 from US\$6.9 million in the same period of 2022, primarily due to (1) the increase in expenses related to share-based compensation and (2) the increase in expenses related to personnel costs.

### ***Sales and marketing***

Sales and marketing expenses during the three-month period ended March 31, 2023 and 2022 were as follows:

| <i>(in US\$ thousands,<br/>except percentages)</i> | <b>Three months ended</b> |                       |                  |
|----------------------------------------------------|---------------------------|-----------------------|------------------|
|                                                    | <b>March 31, 2023</b>     | <b>March 31, 2022</b> | <b>Variation</b> |
| Sales and marketing                                | (14,782)                  | (17,900)              | (17.4)%          |
| Percentage of total revenue                        | (35.0)%                   | (51.6)%               | -                |

Our sales and marketing expenses decreased by US\$3.1 million, or 17.4%, to US\$14.8 million for the three months ended March 31, 2023 from US\$17.9 million for the three months ended March 31, 2022, primarily due to (1) the decrease in expenses related to compensation as our sales and marketing workforce decreased as a result of the Company's efforts to optimize its structure and (2) the decrease in outsourcing expenses.

### ***Research and development***

Research and development expenses during the three-month period ended on March 31, 2023 and 2022 were as follows:

| <i>(in US\$ thousands,<br/>except percentages)</i> | <b>Three months ended</b> |                       |                  |
|----------------------------------------------------|---------------------------|-----------------------|------------------|
|                                                    | <b>March 31, 2023</b>     | <b>March 31, 2022</b> | <b>Variation</b> |
| Research and development                           | (13,959)                  | (13,925)              | 0.2%             |
| Percentage of total revenue                        | (33.0)%                   | (40.2)%               | -                |

Our research and development expenses remained stable, or slightly increased 0.2% to US\$14.0 million for the three months ended March 31, 2023 from US\$13.9 million for the three months ended March 31, 2022, primarily due to the increase in expenses related to share-based compensation that was mostly offset by a decrease in expenses related to personnel costs.

### ***Financial result, net***

The components of our financial results during the three-month period ended March 31, 2023 and 2022 were as follows:

| <i>(in US\$ thousands,<br/>except percentages)</i> | Three months ended |                |                 |
|----------------------------------------------------|--------------------|----------------|-----------------|
|                                                    | March 31, 2023     | March 31, 2022 | Variation       |
| Financial income                                   | 7,359              | 4,292          | 71.5%           |
| Financial expense                                  | (5,903)            | (9,013)        | (34.5)%         |
| <b>Financial result, net</b>                       | <b>1,456</b>       | <b>(4,721)</b> | <b>(130.8)%</b> |

Our financial result amounted to a revenue of US\$1.5 million for the three months ended March 31, 2023, compared to an expense of US\$4.7 million for the three months ended March 31, 2022.

Explanations for the variations in the above referred period are set forth below:

#### Financial income

Financial income increased by US\$3.1 million, or 71.5%, to US\$7.4 million for the three months ended March 31, 2023 from US\$4.3 million for the three months ended March 31, 2022, mainly due to (1) an increase in marketable securities and short term investments gains to US\$4.3 million in March 31, 2023 from US\$0.1 million in March 31, 2022 and; (2) an increase in interest and dividends earned on bank deposits and financial investments to US\$1.8 million in March 31, 2023 from US\$0.1 million in March 31, 2022.

#### Financial expense

Financial expense decreased by US\$3.1 million, or 34.5%, to US\$5.9 million for the three months ended March 31, 2023 from US\$9.0 million for the three months ended March 31, 2022, mainly due to (1) the decrease in short-term investment losses to US\$1.0 million in March 31, 2023 from US\$4.4 million in March 31, 2022 and; partially offset by (2) an increase in adjustment of hyperinflation to US\$1.7 million in March 31, 2023 from US\$0.6 million in March 31, 2022.

The following tables show the unrealized gain and loss position recorded in our Balance Sheet as at March 31, 2023 and December 31, 2022:

|                        | As at March 31, 2023 |                          |                          |            |
|------------------------|----------------------|--------------------------|--------------------------|------------|
|                        | Amortized cost       | Gross<br>unrealized gain | Gross<br>unrealized loss | Fair value |
| Short-term investments | 200,702              | 1,326                    | (2,934)                  | 199,094    |

  

|                        | As at December 31, 2022 |                          |                          |            |
|------------------------|-------------------------|--------------------------|--------------------------|------------|
|                        | Amortized cost          | Gross<br>unrealized gain | Gross<br>unrealized loss | Fair value |
| Short-term investments | 208,177                 | 1,013                    | (5,145)                  | 204,045    |

### *Net loss for the period*

As a result of the above, our net loss amounted to US\$7.9 million for the three months ended March 31, 2023, compared to US\$19.1 million for the three months ended March 31, 2022.

### **Condensed consolidated interim statements of cash flows**

The following table sets forth certain condensed consolidated interim cash flow information for the periods indicated:

| <i>(in US\$ thousands, except percentages)</i>      | <b>For the three months ended</b> |                       |
|-----------------------------------------------------|-----------------------------------|-----------------------|
|                                                     | <b>March 31, 2023</b>             | <b>March 31, 2022</b> |
| Net cash used in operating activities               | (4,858)                           | (15,990)              |
| Net cash provided by (used in) investing activities | 8,045                             | (4,319)               |
| Net cash used in financing activities               | (5,896)                           | (2,056)               |
| Net decrease in cash and cash equivalents           | (2,709)                           | (22,365)              |

#### *Net cash used in operating activities*

For the three months ended March 31, 2023, net cash used in operating activities decreased by US\$11.1 million to US\$4.9 million from US\$16.0 million in the three months ended March 31, 2022, primarily as a result of:

- (1) a decrease in net loss to US\$7.9 million for the period ended March 31, 2023, compared to a net loss of US\$19.1 million for the period ended March 31, 2022; and (2) working capital adjustments which consisted mainly of an increase in taxes payables in the amount of US\$1.5 million for the three months ended March 31, 2023 compared to a decrease of US\$0.4 million for the three months ended March 31, 2022. This was partially offset by:
- (1) working capital adjustments which consisted mainly of a decrease in accounts payable and accrual expenses in the amount of US\$4.3 million for the three months ended March 31, 2023, compared to a decrease of US\$1.1 million for the three months ended March 31, 2022; and (2) an increase in deferred revenue in the amount of US\$4.3 million for the three months ended March 31, 2023, compared to an increase of US\$5.3 million for the three months ended March 31, 2022.

#### *Net cash provided by (used in) investing activities*

For the three months ended March 31, 2023, net cash provided by (used in) investing activities increased by US\$12.4 million to US\$8.0 million of net cash provided from US\$4.3 million of net cash used in investing activities for the three months ended March 31, 2022, primarily as a result of (1) a decrease in the purchase of short term investment of US\$2.0 million for the three months ended March 31, 2023, from US\$6.6 million for the three months ended March 31, 2022; and (2) an increase in the redemption of short-term investments to US\$10.0 million for the three months ended March 31, 2023, from US\$3.6 million for the three months ended March 31, 2022.

#### *Net cash used in financing activities*

For the three months ended March 31, 2023, net cash used in financing activities increased by US\$3.8 million to US\$5.9 million from US\$2.1 million in the three months ended March 31, 2022, primarily as a result of buyback of shares in the amount of US\$5.3 million for the three months ended March 31, 2023 from nil for the period ended of March 31, 2022.

## Capital expenditures

Our capital expenditures, consisting of purchase of property and equipment and intangible assets, for the three months ended March 31, 2023 and 2022, amounted to US\$0.1 million and US\$0.1 million, respectively, representing 0.3% and 0.3% of our total revenue for the three months ended March 31, 2023 and 2022, respectively.

We expect to maintain the capital expenditures as a percentage of our total revenue in line with the ratios we delivered in 2022. We expect to meet our capital expenditure needs for at least the next 12 months from our net cash provided by operating activities and our existing cash and cash equivalents.

## Off-balance sheet arrangements

As of March 31, 2023, we did not have any off-balance sheet arrangements.

## Quantitative and qualitative disclosures about market risk

We are exposed to market risks in the ordinary course of our business, including the effects of foreign currency fluctuations, derivative financial instruments, credit risk and liquidity risk. Information relating to quantitative and qualitative disclosures about these market risks is described below:

### *Interest rate risk*

The interest risk arises from the possibility of us incurring losses due to fluctuations in interest rates in respect of fair value of future cash flows of a financial instrument.

Our exposure to market risk for changes in interest rates relates primarily to our cash, cash equivalents, restricted cash, marketable securities and short-term investments. Our investments are made for capital preservation purposes, and we do not enter investments for trading or speculative purposes. Our trade receivables, accounts payable and other liabilities do not bear interest.

Our cash, cash equivalents, restricted cash, marketable securities and short-term investments consist primarily of interest-bearing accounts held by our parent company in USD. Such interest-earning instruments carry a degree of interest rate risk. To minimize interest rate risk, we intend to maintain our portfolio of cash equivalents in a variety of investment-grade securities, which may include commercial papers, money market funds, and government and non-government debt securities. Because of the short-term maturities of our cash, cash equivalents, restricted cash, and marketable securities, as of March 31, 2023, we are not materially exposed to the risk of changes in market interest rates.

### *Foreign currency exchange risk*

We have significant operations internationally that are denominated in foreign currencies. Our exposure to foreign exchange risk is primarily related to fluctuations between the U.S. Dollar and the Latin American countries in which we operate (primarily the Brazilian *real*, Argentine *peso*, Colombian *peso* and Chilean *peso*). We transact business in various foreign currencies and have significant international revenues and costs. Our cash flows, results of operations and certain of our intercompany balances are exposed to foreign exchange rate fluctuations that may differ materially from expectations. We may record significant gains or losses due to foreign currency fluctuations and related hedging activities.

Our subsidiaries generate revenues and incur most of their expenses in the respective local currencies of the countries in which they operate. As a result, our subsidiaries use their local currency as their functional currency. As of the three months ended March 31, 2023 and in the year ended December 31, 2022, 14.7% and 15.6% of our revenues were denominated in, or linked to, U.S. dollars, respectively. As of the three months ended March 31, 2023 and in the year ended December 31, 2022, our assets were represented by 63.8% and 66.1% in U.S. dollars, 36.2% and 33.9% in other currencies. As of the three months ended March 31, 2023 and in the year ended December 31, 2022, our liabilities, excluding our total shareholders' equity, were represented by 13.0% and 13.2% in U.S. dollars, 87.0% and 86.8% in other currencies.

We are exposed to foreign exchange fluctuations on the revaluation of foreign currency assets and liabilities. We use foreign exchange derivative products to hedge intercompany loans, and debt for operational purposes. By their nature, derivative financial instruments involve risk, including the credit risk of non-performance by counterparties. We use derivatives for hedging purposes and not as speculative investments.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: May 3, 2023

*VTEX*

By: /s/ Ricardo Camatta Sodre

Name: Ricardo Camatta Sodre

Title: Chief Financial Officer