

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 001-40568

CLEAR SECURE, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
85 10th Avenue, 9th Floor, New York, NY
(Address of Principal Executive Offices)

86-2643981
(I.R.S. Employer Identification No.)

10011
(Zip Code)

(646) 723-1404

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.00001 per share	YOU	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer,"

"smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The registrant had the following outstanding shares of common stock as of August 1, 2024:

Class A Common Stock par value \$0.00001 per share (the "Class A Common Stock")	92,249,918
Class B Common Stock par value \$0.00001 per share (the "Class B Common Stock")	907,234
Class C Common Stock par value \$0.00001 per share (the "Class C Common Stock")	20,292,253
Class D Common Stock par value \$0.00001 per share (the "Class D Common Stock")	25,796,690

Table of Contents

	Page
	<hr/>
	<u>PART I - FINANCIAL INFORMATION</u>
Item 1.	<u>Condensed Consolidated Financial Statements (Unaudited)</u>
	<u>Condensed Consolidated Balance Sheets</u> 1
	<u>Condensed Consolidated Statements of Operations</u> 2
	<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u> 3
	<u>Condensed Consolidated Statements of Changes in Stockholders' Equity</u> 4
	<u>Condensed Consolidated Statements of Changes in Cash Flows</u> 6
	<u>Notes to Condensed Consolidated Financial Statements</u> 8
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 24
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 40
Item 4.	<u>Controls and Procedures</u> 41
	<u>PART II - OTHER INFORMATION</u>
Item 1.	<u>Legal Proceedings</u> 42
Item 1A.	<u>Risk Factors</u> 42
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 42
Item 3.	<u>Defaults Upon Senior Securities</u> 43
Item 4.	<u>Mine Safety Disclosures</u> 43
Item 5.	<u>Other Information</u> 43
Item 6.	<u>Exhibits</u> 44
	<u>Signatures</u> 45

CLEAR SECURE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(dollars in thousands, except share and per share data)

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 39,108	\$ 57,900
Marketable securities	630,510	665,197
Accounts receivable	1,124	526
Prepaid revenue share fee	22,591	24,402
Prepaid expenses and other current assets	20,433	22,009
Total current assets	713,766	770,034
Property and equipment, net	59,290	62,611
Right of use asset, net	112,655	115,874
Intangible assets, net	18,226	20,825
Goodwill	62,757	62,757
Restricted cash	3,597	4,501
Other assets	12,091	8,407
Total assets	\$ 982,382	\$ 1,045,009
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 8,857	\$ 11,781
Accrued liabilities	236,422	164,015
Deferred revenue	388,021	376,253
Total current liabilities	633,300	552,049
Other long term liabilities	120,818	123,736
Total liabilities	754,118	675,785
Commitments and contingencies (Note 17)		
Class A Common Stock, \$0.00001 par value - 1,000,000,000 shares authorized; 92,216,698 shares issued and outstanding as of June 30, 2024 and 91,786,941 shares issued and outstanding as of December 31, 2023	1	1
Class B Common Stock, \$0.00001 par value - 100,000,000 shares authorized; 907,234 shares issued and outstanding as of June 30, 2024 and December 31, 2023	—	—
Class C Common Stock, \$0.00001 par value - 200,000,000 shares authorized; 24,292,253 shares issued and outstanding as of June 30, 2024 and 32,234,914 shares issued and outstanding as of December 31, 2023	—	—
Class D Common Stock, \$0.00001 par value - 100,000,000 shares authorized; 25,796,690 shares issued and outstanding as of June 30, 2024 and December 31, 2023	—	—
Accumulated other comprehensive loss	(561)	2,050
Treasury stock at cost, 0 shares as of June 30, 2024 and December 31, 2023	—	—
Accumulated deficit	(30,789)	(73,714)
Additional paid-in capital	184,885	304,992
Total stockholders' equity attributable to Clear Secure, Inc.	153,536	233,329
Non-controlling interest	74,728	135,895
Total stockholders' equity	228,264	369,224
Total liabilities and stockholders' equity	\$ 982,382	\$ 1,045,009

See notes to condensed consolidated financial statements

CLEAR SECURE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(dollars in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 186,745	\$ 149,871	\$ 365,794	\$ 282,227
Operating expenses:				
Cost of revenue share fee	26,093	21,219	50,457	40,789
Cost of direct salaries and benefits	40,085	34,204	80,373	67,350
Research and development	17,411	22,310	37,515	44,254
Sales and marketing	11,007	10,788	22,629	20,297
General and administrative	55,371	56,144	108,261	114,222
Depreciation and amortization	6,441	4,989	12,533	10,156
Operating income (loss)	30,337	217	54,026	(14,841)
Other income (expense):				
Interest income, net	8,247	7,394	18,172	13,786
Other income, net	416	634	855	908
Income (loss) before tax	39,000	8,245	73,053	(147)
Income tax expense	(409)	(211)	(2,374)	(92)
Net income (loss)	38,591	8,034	70,679	(239)
Less: net income attributable to non-controlling interests	14,472	4,023	27,754	974
Net income (loss) attributable to Clear Secure, Inc.	\$ 24,119	\$ 4,011	\$ 42,925	\$ (1,213)
Net income (loss) per share of Class A Common Stock and Class B Common Stock (Note 15)				
Net income (loss) per common share basic, Class A	\$ 0.26	\$ 0.04	\$ 0.46	\$ (0.01)
Net income (loss) per common share basic, Class B	\$ 0.26	\$ 0.04	\$ 0.46	\$ (0.01)
Net income (loss) per common share diluted, Class A	\$ 0.26	\$ 0.04	\$ 0.46	\$ (0.01)
Net income (loss) per common share diluted, Class B	\$ 0.26	\$ 0.04	\$ 0.46	\$ (0.01)
Weighted-average shares of Class A Common Stock outstanding, basic	91,984,045	89,569,933	91,907,842	89,318,481
Weighted-average shares of Class B Common Stock outstanding, basic	907,234	907,234	907,234	907,234
Weighted-average shares of Class A Common Stock outstanding, diluted	92,605,019	90,372,444	92,645,417	89,318,481
Weighted-average shares of Class B Common Stock outstanding, diluted	907,234	907,234	907,234	907,234

See notes to condensed consolidated financial statements

CLEAR SECURE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)
(dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 38,591	\$ 8,034	\$ 70,679	\$ (239)
Other comprehensive income (loss)				
Currency translation	—	—	—	8
Unrealized gain (loss) on fair value of marketable securities	(1,227)	(1,240)	(4,210)	348
Total other comprehensive income (loss)	(1,227)	(1,240)	(4,210)	356
Comprehensive income (loss)	37,364	6,794	66,469	117
Less: comprehensive income attributable to non-controlling interests	14,021	3,519	26,155	1,128
Comprehensive income (loss) attributable to Clear Secure, Inc.	\$ 23,343	\$ 3,275	\$ 40,314	\$ (1,011)

See notes to condensed consolidated financial statements

CLEAR SECURE, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)**

(dollars in thousands, except share data)

	Class A		Class B		Class C		Class D		Additional paid in capital	Accumulated other comprehensive loss	Treasury Stock			Total stockholders' equity attributable to Clear Secure, Inc.	Non-controlling interest	Total stockholders' equity
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount			Number of shares	Amount	Accumulated deficit			
Balance, January 1, 2024	91,786,941	\$ 1	907,234	\$ —	32,234,914	\$ —	25,796,690	\$ —	\$ 304,992	\$ 2,050	—	\$ —	\$ (73,714)	\$ 233,329	\$ 135,895	\$ 369,224
Net income	—	—	—	—	—	—	—	—	—	—	—	—	18,806	18,806	13,282	32,088
Other comprehensive income	—	—	—	—	—	—	—	—	—	(1,835)	—	—	—	(1,835)	(1,148)	(2,983)
Equity-based compensation expense, net of forfeitures	—	—	—	—	—	—	—	—	6,684	—	—	—	—	6,684	4,185	10,869
Net share settlements of stock-based awards	183,167	—	—	—	—	—	—	—	(1,298)	—	—	—	—	(1,298)	(812)	(2,110)
Distribution to members	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(10,564)	(10,564)
Tax distribution to members	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,558)	(4,558)
Exchange of shares	1,625,803	—	—	—	(1,625,803)	—	—	—	3	—	—	—	—	3	(3)	—
Dividends	—	—	—	—	—	—	—	—	(8,481)	—	—	—	—	(8,481)	—	(8,481)
Special dividend	—	—	—	—	—	—	—	—	(28,828)	—	—	—	—	(28,828)	—	(28,828)
Repurchase and retirement of Class A Common Stock	(4,416,759)	—	—	—	—	—	—	—	(52,514)	—	—	—	—	(52,514)	(32,868)	(85,382)
Balance, March 31, 2024	89,179,152	\$ 1	907,234	\$ —	30,609,111	\$ —	25,796,690	\$ —	\$ 220,558	\$ 215	—	\$ —	\$ (54,908)	\$ 165,866	\$ 103,409	\$ 269,275
Net income	—	—	—	—	—	—	—	—	—	—	—	—	24,119	24,119	14,472	38,591
Other comprehensive income	—	—	—	—	—	—	—	—	—	(776)	—	—	—	(776)	(451)	(1,227)
Equity-based compensation expense, net of forfeitures	—	—	—	—	—	—	—	—	6,624	—	—	—	—	6,624	3,847	10,471
Net share settlements of stock-based awards	287,541	—	—	—	—	—	—	—	(685)	—	—	—	—	(685)	(1,819)	(2,504)
Distribution to members	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(5,018)	(5,018)
Tax distribution to members	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(7,367)	(7,367)
Exchange of shares	6,316,858	—	—	—	(6,316,858)	—	—	—	19,763	—	—	—	—	19,763	(19,763)	—
Dividends	—	—	—	—	—	—	—	—	(9,339)	—	—	—	—	(9,339)	—	(9,339)
Repurchase and retirement of Class A Common Stock	(3,566,853)	—	—	—	—	—	—	—	(52,036)	—	—	—	—	(52,036)	(12,582)	(64,618)
Balance, June 30, 2024	92,216,698	\$ 1	907,234	\$ —	24,292,253	\$ —	25,796,690	\$ —	\$ 184,885	\$ (561)	—	\$ —	\$ (30,789)	\$ 153,536	\$ 74,728	\$ 228,264

See notes to condensed consolidated financial statements

[Table of Contents](#)

	Class A		Class B		Class C		Class D		Treasury Stock			Total stockholders' equity attributable to Clear Secure, Inc.			Non-controlling Interest	Total stockholders' equity
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Additional paid in capital	Accumulated other comprehensive loss	Number of shares	Amount	Accumulated deficit			
Balance, January 1, 2023	87,760,831	\$ 1	907,234	\$ —	38,290,964	\$ —	25,796,690	\$ —	\$ 394,390	\$ (1,529)	80,505	\$ —	\$ (101,797)	\$ 291,065	\$ 219,856	\$ 510,921
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(5,224)	(5,224)	(3,049)	(8,273)
Other comprehensive income	—	—	—	—	—	—	—	—	—	938	—	—	—	938	658	1,596
Equity-based compensation expense, net of forfeitures	(3,079)	—	—	—	—	—	—	—	10,151	—	3,079	—	—	10,151	6,257	16,408
Net share settlements of stock-based awards	155,049	—	—	—	—	—	—	(946)	—	(83,584)	—	—	—	(946)	(1,462)	(2,408)
Warrant expense	—	—	—	—	—	—	—	366	—	—	—	—	—	366	257	623
Exercise of warrants	534,655	—	—	—	—	—	—	1,615	—	—	—	—	—	1,615	(1,615)	—
Tax distribution to members	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(13,886)	(13,886)
Exchange of shares	2,048,773	—	—	—	(2,048,773)	—	—	6,189	—	—	—	—	—	6,189	(6,189)	—
Repurchase and retirement of Class A Common Stock	(281,838)	—	—	—	—	—	—	(7,380)	—	—	—	—	—	(7,380)	911	(6,469)
Balance, March 31, 2023	90,214,391	\$ 1	907,234	\$ —	36,242,191	\$ —	25,796,690	\$ —	\$ 404,385	\$ (591)	—	\$ —	\$ (107,021)	\$ 296,774	\$ 201,738	\$ 498,512
Net income	—	—	—	—	—	—	—	—	—	—	—	—	4,011	4,011	4,023	8,034
Other comprehensive loss	—	—	—	—	—	—	—	—	—	(736)	—	—	—	(736)	(504)	(1,240)
Equity-based compensation expense, net of forfeitures	—	—	—	—	—	—	—	8,415	—	—	—	—	—	8,415	6,244	14,659
Net share settlements of stock-based awards	144,341	—	—	—	—	—	—	(655)	—	—	—	—	—	(655)	(740)	(1,395)
Tax distribution to members	—	—	—	—	—	—	—	—	—	—	—	—	(26)	(26)	(17)	(43)
Exchange of shares	150,000	—	—	—	(150,000)	—	—	165	—	—	—	—	—	165	(165)	—
Special dividend	—	—	—	—	—	—	—	(18,089)	—	—	—	—	—	(18,089)	—	(18,089)
Repurchase and retirement of Class A Common Stock	(1,533,357)	—	—	—	—	—	—	(22,928)	—	—	—	—	—	(22,928)	(15,700)	(38,628)
Balance, June 30, 2023	88,975,375	\$ 1	907,234	\$ —	36,092,191	\$ —	25,796,690	\$ —	\$ 371,293	\$ (1,327)	—	\$ —	\$ (103,036)	\$ 266,931	\$ 194,879	\$ 461,810

See notes to condensed consolidated financial statements

CLEAR SECURE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN CASH FLOWS
(UNAUDITED)
(dollars in thousands)

	Six Months Ended June 30,	
	2024	2023
Cash flows provided by (used in) operating activities:		
Net income (loss)	\$ 70,679	\$ (239)
Adjustments to reconcile net loss to net cash provided from operating activities:		
Depreciation of property and equipment	10,728	8,516
Amortization of intangible assets	1,805	1,640
Noncash lease expense	3,180	3,315
Impairment of assets	—	3,707
Equity-based compensation	20,895	30,937
Deferred income tax	28	12
Amortization of revolver loan costs	136	164
Premium amortization and (discount accretion), net on marketable securities	(4,489)	(7,489)
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable	(598)	240
Prepaid expenses and other assets	(656)	(1,849)
Prepaid revenue share fee	1,811	(1,848)
Accounts payable	(2,624)	(2,663)
Accrued and other long term liabilities	85,030	64,196
Deferred revenue	11,768	37,177
Operating lease liabilities	(2,760)	(54)
Net cash provided by operating activities	\$ 194,933	\$ 135,762
Cash flows provided by (used in) investing activities:		
Purchases of marketable securities	(356,079)	(411,650)
Sales of marketable securities	391,044	377,528
Purchase of strategic investment	(1,000)	(6,000)
Purchases of property and equipment	(7,216)	(17,790)
Purchases of intangible assets	(318)	(89)
Net cash provided by (used in) investing activities	\$ 26,431	\$ (58,001)
Cash flows used in financing activities:		
Repurchase of Class A Common Stock	(150,000)	(45,097)
Payment of dividend	(17,820)	—
Payment of special dividend	(28,828)	(18,129)
Distributions to members	(15,582)	—
Tax distribution to members	(24,100)	(13,929)
Debt issuance costs	—	(396)
Payment of taxes on net settled stock-based awards	(4,614)	(3,803)
Other financing activities	(153)	—
Net cash used in financing activities	\$ (241,097)	\$ (81,354)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(19,733)	(3,593)
Cash, cash equivalents, and restricted cash, beginning of period	62,401	68,884
Exchange rate effect on cash and cash equivalents, and restricted cash	37	51
Cash, cash equivalents, and restricted cash, end of period	\$ 42,705	\$ 65,342

	June 30, 2024	June 30, 2023
Cash and cash equivalents	\$ 39,108	\$ 57,248
Restricted cash	3,597	8,094
Total cash, cash equivalents, and restricted cash	\$ 42,705	\$ 65,342

See notes to condensed consolidated financial statements

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(dollars in thousands, except for share and per share data, unless otherwise noted)

1. Description of Business and Recent Accounting Developments

Description and Organization

Clear Secure, Inc. (the “Company” and together with its consolidated subsidiaries, “CLEAR,” “we,” “us,” “our”) is a holding company and its principal asset is the controlling equity interest in Alclear Holdings, LLC (“Alclear”). In connection with the Company’s reorganization (the “Reorganization”) completed prior to the completion of its initial public offering (“IPO”), Alclear was formed as a Delaware limited liability company on January 21, 2010 and operates under the terms of the Second Amended and Restated Operating Agreement dated June 7, 2023 (the “Operating Agreement”). As the sole managing member of Alclear, the Company operates and controls all of the business and affairs of Alclear, and through Alclear and its subsidiaries, conducts the Company’s business.

The Company operates a secure identity platform under the brand name CLEAR primarily in the United States. CLEAR’s current offerings include: CLEAR Plus, a consumer aviation subscription service, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints within our nationwide network of 58 airports (as of the date of this filing); TSA PreCheck® Enrollment Provided by CLEAR at 46 airports (as of the date of this filing), which offers consumers increased choice in how and where to sign up for this popular trusted traveler program; CLEAR Verified, our B2B offering, which enables our partners to leverage our digital identity technology and reusable member network to facilitate secure and frictionless experiences digitally and physically via our software development kits and application programming interfaces; and our free flagship CLEAR app, which offers consumer products like Home-to-Gate and includes RESERVE *Powered by* CLEAR, our virtual queuing technology that enables customers to prebook a spot in airport security line so they don’t have to wait.

2. Basis of Presentation and Summary of Significant Accounting Policies

These condensed consolidated financial statements have been prepared in accordance with United States (“U.S.”) generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments consisting only of normal recurring adjustments necessary for a fair presentation have been reflected in these condensed consolidated financial statements. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2024.

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts that are reported in the condensed consolidated financial statements and accompanying disclosures. Although these estimates are based on management’s best knowledge of current events and actions that the Company may undertake in the future, actual results may differ from those estimates.

These condensed consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “2023 Form 10-K”).

The condensed consolidated financial statements are presented in US Dollars, which is the Company’s reporting currency.

Recently Adopted Accounting Pronouncements

The Company adopted all applicable standards effective as of December 31, 2023, within these condensed consolidated financial statements. There was no material impact as a result. There are no newly issued standards since December 31, 2023 that are applicable to the Company.

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

3. Revenue

The Company derives substantially all of its revenue from subscriptions to its consumer aviation service, CLEAR Plus. For the three and six months ended June 30, 2024 and 2023, no individual airport accounted for more than 10% of membership revenue.

Revenue by Geography

For the three and six months ended June 30, 2024 and 2023, substantially all of the Company's revenue was generated in the United States.

Contract liabilities and assets

The Company's deferred revenue balance primarily relates to amounts received from customers for subscriptions paid in advance of the services being provided that will be earned within the next twelve months. The following table presents changes in the deferred revenue balance for the six months ended June 30, 2024.

	2024	
Balance as of January 1	\$	376,253
Deferral of revenue		373,923
Recognition of deferred revenue		(362,155)
Balance as of June 30	\$	388,021

The Company has obligations for refunds and other similar items of \$3,214 as of June 30, 2024 recorded within accrued liabilities.

During the six months ended June 30, 2024 and 2023, the Company recognized \$273,062 and \$199,740, respectively, of revenue which was included in the opening deferred revenue balances.

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of June 30, 2024 and December 31, 2023 consist of the following:

	June 30, 2024	December 31, 2023
Prepaid software licenses	\$ 9,464	\$ 10,306
Coronavirus aid, relief, and economic security act retention credit	—	1,002
Prepaid insurance costs	203	1,946
Other current assets	10,766	8,755
Total	\$ 20,433	\$ 22,009

The Coronavirus Aid, Relief, and Economic Security Act is intended to provide economic relief resulting from the COVID-19 pandemic which includes, but is not limited to, employment related costs. As of March 31, 2024, the Company no longer expects to receive the remainder of the balance in the next twelve months. As such, the Company recorded a reclass of this balance to Other assets. Refer to [Note 10](#) for the reclassified balance.

5. Fair Value Measurements

The Company values its available-for-sale securities and certain liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

- Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3 – Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs to the extent possible. In addition, the Company considers counterparty credit risk in its assessment of fair value.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for certain assets and liabilities measured at fair value, which are not considered Level 1 items.

Corporate bonds – Valued at the closing price reported on the active market on which the individual securities, all of which have counterparties with high credit ratings, are traded.

Commercial paper – Value is based on yields currently available on comparable securities of issuers with similar credit ratings.

Money market funds – Valued at the net asset value (“NAV”) of units of a collective fund. The NAV is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The contractual maturities of investments classified as marketable securities are as follows:

	June 30, 2024	December 31, 2023
Due within 1 year	\$ 452,260	\$ 439,155
Due after 1 year through 2 years	178,250	226,042
Total marketable securities	\$ 630,510	\$ 665,197

The following table represents the amortized cost, gross unrealized gains and losses, and fair market value of the Company’s marketable securities by significant investment category in addition to their fair value level at June 30, 2024 and December 31, 2023.

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

As of June 30, 2024					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Level
Commercial paper	\$ 18,273	\$ —	\$ (27)	\$ 18,246	2
U.S. Treasuries	247,766	12	(439)	247,339	1
Corporate bonds	280,383	104	(824)	279,663	2
Money market funds measured at NAV (a)	85,262	—	—	85,262	N/A
Total marketable securities	\$ 631,684	\$ 116	\$ (1,290)	\$ 630,510	

As of December 31, 2023					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Level
Commercial paper	\$ 42,903	\$ 16	\$ (24)	\$ 42,895	2
U.S. Treasuries	324,274	2,896	(257)	326,913	1
Corporate bonds	294,540	969	(564)	294,945	2
Money market funds measured at NAV (a)	444	—	—	444	N/A
Total marketable securities	\$ 662,161	\$ 3,881	\$ (845)	\$ 665,197	

(a) Money market funds that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the condensed consolidated balance sheets.

Of the total marketable securities held at fair value as of June 30, 2024, \$139,444 was in a continuous unrealized loss position for 12 months or longer. The Company had no continuous unrealized loss positions in relation to marketable securities as of June 30, 2024 or December 31, 2023 that were as a result of credit deterioration. For the periods presented the Company does not intend to nor will it be required to sell any securities before recovery of their amortized cost bases.

For certain other financial instruments, including accounts receivable, accounts payable, accrued liabilities, as well as other current liabilities, the carrying amounts approximate the fair value of such instruments due to the short maturity of these balances.

6. Property and Equipment, net

Property and equipment as of June 30, 2024 and December 31, 2023 consist of the following:

	Depreciation Period in Years	June 30, 2024	December 31, 2023
Internally developed software	3 - 5	\$ 65,888	\$ 62,306
Acquired software	3	6,441	6,539
Equipment	5	35,247	33,624
Leasehold improvements	1 - 15	9,069	9,113
Furniture and fixtures	5	13,680	12,709
Construction in progress		9,825	8,672
Total property and equipment, cost		140,150	132,963
Less: accumulated depreciation		(80,860)	(70,352)
Total property and equipment, net		\$ 59,290	\$ 62,611

Depreciation and amortization expense related to property and equipment for the three months ended June 30, 2024 and 2023 was \$5,560 and \$4,171, respectively, and \$10,728 and \$8,516 for the six months ended June 30, 2024 and 2023, respectively.

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

During the three and six months ended June 30, 2024, \$1,756 and \$3,583, respectively, were capitalized in connection with internally developed software inclusive of \$241 and \$445 of equity-based compensation, respectively. Amortization expense on internally developed software was \$3,254 and \$2,401 for the three months ended June 30, 2024 and 2023, respectively, and \$6,416 and \$4,152 for the six months ended June 30, 2024 and 2023, respectively.

During the three months ended June 30, 2024 and 2023, the Company recognized impairment charges of none and \$74, respectively. During the six months ended June 30, 2024 and 2023, the Company recognized impairment charges of none and \$2,201, respectively.

Purchases of property and equipment with unpaid costs in accounts payable and accrued liabilities as of June 30, 2024 were \$50 and \$115, respectively, and \$147 and \$120 as of June 30, 2023, respectively.

7. Leases

Cash paid for amounts included in the measurement of operating lease liabilities for the three months ended June 30, 2024 and 2023 was \$,740 and \$3,758, respectively, and \$7,472 and \$4,840 for the six months ended June 30, 2024 and June 30, 2023, respectively.

During the six months ended June 30, 2023, the Company entered into a sublease agreement whereby the Company continues to be a lessee under the original operating lease but will act as a sublessor. As a result, during the six months ended June 30, 2023, the Company recorded \$1,506 of impairment to its right of use asset within general and administrative in the condensed consolidated statements of operations. Sublease income is recorded within other income (expense), net within the condensed consolidated statements of operations. The Company had \$444 and \$444 for the three months ended June 30, 2024 and 2023, respectively, and \$888 and \$679 sublease income for the six months ended June 30, 2024 and 2023, respectively.

8. Intangible Assets, net

See below for Intangible assets, net as of June 30, 2024 and December 31, 2023:

	Weighted Average Useful Life in Years	June 30, 2024	December 31, 2023
Patents	20.0	\$ 2,518	\$ 3,312
Acquired intangibles - technology	3.0	5,130	5,130
Acquired intangibles - customer relationships	10.8	18,370	18,370
Acquired intangibles - brand names	5.0	500	500
Indefinite lived intangible assets		310	310
Total intangible assets, cost		26,828	27,622
Less: accumulated amortization		(8,602)	(6,797)
Intangible assets, net		\$ 18,226	\$ 20,825

Amortization expense on intangible assets for the three months ended June 30, 2024 and 2023 was \$81 and \$819, respectively and \$1,805 and \$1,640 for the six months ended June 30, 2024 and 2023, respectively. The Company did not recognize any impairment charges on intangible assets, net for any periods presented.

9. Restricted Cash

As of June 30, 2024 and December 31, 2023, the Company maintained bank deposits of \$3,597 and \$4,501, respectively, which were primarily pledged as collateral for long-term letters of credit issued in favor of airports, in connection with the Company's obligations under revenue share agreements.

10. Other Assets

Other assets consist of the following as of June 30, 2024 and December 31, 2023:

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

	June 30, 2024	December 31, 2023
Security deposits	\$ 280	\$ 273
Loan fees	132	198
Certificates of deposit	459	459
Coronavirus aid, relief, and economic security act retention credit	1,002	—
Strategic investment	7,000	6,000
Other long-term assets	3,218	1,477
Total	\$ 12,091	\$ 8,407

During the three months ended March 31, 2024, the Company made an incremental strategic investment in equity securities of a privately held company, which the Company previously invested in during three months ended March 31, 2023. As the investment does not have a readily determinable fair value, the Company elected the measurement alternative to record the investment at initial cost less impairments, if any, adjusted for observable changes in fair value for identical or similar investments of the same issuer. Adjustments resulting from these fluctuations are recorded within other income (expense) on the Company's condensed consolidated statements of operations.

During the three and six months ended June 30, 2024, there were no fair value adjustments recorded by the Company in relation to its strategic investment.

11. Accrued Liabilities and Other Long Term Liabilities

Accrued liabilities consist of the following as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Accrued compensation and benefits	\$ 13,362	\$ 18,690
Accrued partnership liabilities	186,947	96,284
Lease liability	5,913	5,727
Other accrued liabilities	30,200	43,314
Total	\$ 236,422	\$ 164,015

The Company has estimated accrued partnership liabilities related to a portion of merchant credit card benefits that it expects to settle in the second half of the current year.

Other long term liabilities consist of the following as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Deferred tax liability	\$ 1,739	\$ 1,711
Lease liability	118,709	121,655
Other long term liabilities	370	370
Total	\$ 120,818	\$ 123,736

12. Warrants

In January 2023, the Company recognized \$1,038 of the remaining expense related to the 534,655 fully vested United Airlines warrants. These warrants were exercised for Class A Common Stock in a cashless exercise with an intrinsic value of \$16,136. The existing warrant agreement with United Airlines expired in the first quarter of 2023.

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

The following warrants remained outstanding as of June 30, 2024:

	Number of Warrants	Weighted-Average Exercise Price	Weighted average Remaining Contractual Term (years)
Exercisable for Alclear Units	773,934	\$ 0.01	0.21

All outstanding warrants are subject to certain performance-based vesting criteria which the Company evaluates at each reporting period to determine the likelihood of achievement.

Based on the probability of vesting, the Company recorded none for both the three months ended June 30, 2024 and 2023, respectively, and none and \$623 for the six months ended June 30, 2024 and 2023, respectively within general and administrative expense in the condensed consolidated statements of operations.

13. Stockholders' Equity

Common Stock

The Company has and will issue shares of its common stock as a result of transactions in relation to warrant exercises, exchanges, and vesting of restricted stock units ("RSUs").

Treasury Stock

Historically, the Company's treasury stock consisted of forfeited Restricted Stock Awards ("RSAs") that were legally issued shares held by the Company, and recorded at par value, as well as any shares repurchased under the Company's share repurchase program that are not retired by the Company's board of directors (the "Board"). As of June 30, 2024, all RSAs have been either vested or forfeited. The Company's treasury stock can be utilized to settle equity-based compensation awards issued by the Company and is excluded from the calculation of the non-controlling interest ownership percentage.

Share Repurchases

During the six months ended June 30, 2024, the Company repurchased and retired 7,983,612 shares of its Class A Common Stock for \$150,000 at an average price of \$18.79. As of June 30, 2024, \$75,424 remained available under the repurchase authorization.

The Inflation Reduction Act created an excise tax of 1% on the fair market value of net stock repurchases made after December 31, 2022. During the six months ended June 30, 2024, the Company recorded an accrual of none related to this tax within its condensed consolidated financial statements. Refer to [Note 16](#) for further information regarding the Inflation Reduction Act.

Special and Quarterly Dividends

On August 2, 2023, the Company announced that its Board adopted a dividend policy (the "Dividend Policy") of paying a quarterly cash dividend to holders of Class A Common Stock and Class B Common Stock. The amount of such quarterly dividends is subject to approval of the actual amount by the Board at the time of such dividend declaration. It is expected that the dividends will be funded by proportionate cash distributions by Alclear to all of its members as of the applicable record date, including holders of non-controlling interests in Alclear and the Company. The declaration of cash dividends in the future is subject to final determination each quarter by the Board based on a number of factors, including the Company's results of operations, cash flows, financial position and capital requirements, as well as general business conditions, legal, tax and regulatory restrictions and other factors the Board deems relevant at the time it determines to declare such dividends.

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

On February 15, 2024, the Company announced that its Board declared a quarterly dividend of \$0.09 per share, payable on March 5, 2024 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on February 26, 2024. The Company funded the dividend from proportionate cash distributions by Alclear to all of its members as of February 26, 2024, including holders of non-controlling interests in Alclear and the Company.

On March 21, 2024, the Company announced the declaration of a special cash dividend in the amount of \$0.32 per share payable on April 8, 2024 to holders of record of the Class A Common Stock and Class B Common Stock as of the close of business on April 1, 2024. The Company funded the payment of the special cash dividend with cash held by the Company following its receipt of a pro rata cash distribution made by Alclear to all of its members, including the Company, together with cash held by the Company following its receipt of tax distributions made by Alclear.

On May 7, 2024, the Company announced that its Board declared a quarterly dividend of \$0.10 per share, payable on June 18, 2024 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on June 10, 2024. The Company funded the dividend from proportionate cash distributions by Alclear to all of its members as of June 10, 2024, including holders of non-controlling interests in Alclear and the Company.

To the extent the quarterly or special dividends exceed the Company's current and accumulated earnings and profits, a portion of such dividends may be deemed a return of capital gain to the holders of our Class A Common Stock or Class B Common Stock, as applicable.

Non-Controlling Interest

The non-controlling interest balance represents the economic interest in Alclear held by our co-founders, Caryn Seidman Becker and Kenneth Cornick (the "Co-Founders"), and members of Alclear. The following table summarizes the ownership of non-voting common units of Alclear ("Alclear Units") as of June 30, 2024:

	Alclear Units	Ownership Percentage
Alclear Units held by Alclear post-reorganization members (other than the Co-Founders and Clear Secure, Inc.)	24,292,253	16.96 %
Alclear Units held by the Co-Founders	25,796,690	18.01 %
Total	50,088,943	34.97 %

The non-controlling interest holders have the right to exchange Alclear Units, together with a corresponding number of shares of Class C Common Stock for Class A Common Stock or Class D Common Stock for Class B Common Stock. As such, exchanges by non-controlling interest holders will result in a change in ownership and reduce the amount recorded as non-controlling interest and increase Class A Common Stock or B Common Stock and additional paid-in-capital for the Company. Upon the issuance of shares Class A Common Stock or B Common Stock, the Company issues a proportionate number of Alclear Units in conjunction with the terms of the Reorganization.

During the six months ended June 30, 2024, certain non-controlling interest holders exchanged their Alclear Units and corresponding shares of Class C Common Stock for shares of the Company's Class A Common Stock. As a result, the Company issued 7,942,661 shares of Class A Common Stock.

The non-controlling interest ownership percentage declined from 38.51% as of December 31, 2023 to 34.97% as of June 30, 2024. This decrease was primarily attributable to the issuance of shares of Class A Common Stock, primarily due to exchanges noted above.

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

14. Incentive Plans

2021 Omnibus Incentive Plan

The Clear Secure, Inc 2021 Omnibus Incentive Plan (“2021 Omnibus Incentive Plan”) became effective on June 29, 2021 to provide grants of equity-based awards to the employees, consultants, and directors of the Company and its affiliates.

The 2021 Omnibus Incentive Plan authorized the issuance of up to 20,000,000 shares of Class A Common Stock as of the date of the Reorganization. The 2021 Omnibus Incentive Plan authorized the issuance of shares pursuant to the grant, settlement or exercise of RSUs, RSAs, stock options and other share-based awards. Beginning with the first business day of each calendar year beginning in 2022 through 2031, the number of shares available will increase in an amount up to 5% of the total number of common shares outstanding (assuming exchange and/or conversion of all classes of common shares into Class A Common Stock) as of the last day of the immediately preceding year or a lesser amount approved by the Board or its compensation committee, so long as the total share reserve available for future awards at the time is not more than 12% of common shares outstanding (assuming exchange and/or conversion of all classes of common shares into Class A Common Stock). For fiscal year 2023, the Compensation Committee of the Board approved no increase in the 2021 Omnibus Incentive Plan, which such increase would have been effective on the first business day of 2023.

Restricted Stock Units

RSUs are subject to both service-based and, in some cases, performance-based vesting conditions. RSUs will vest on a specified date, provided the applicable service (generally three years) and, if applicable, when certain performance conditions are probable of satisfaction. The RSUs with performance-based vesting conditions are subject to long-term revenue and cash-basis earnings performance hurdles. The Company determines the fair value of each RSU based on the grant date and records the expense over the vesting period or requisite service period on a straight-line basis and for performance-based vesting awards, whether they are probable or not.

The following is a summary of activity related to the RSUs associated with compensation arrangements during the six months ended June 30, 2024:

	RSU's	Weighted-Average Grant-Date Fair Value
Unvested balance as of January 1, 2024	3,897,957	\$ 24.85
Granted	1,590,725	18.19
Vested	(702,938)	30.23
Forfeited	(806,350)	23.24
Unvested balance as of June 30, 2024	3,979,394	\$ 21.79

The following is a vesting schedule of the expected vesting period related to the unvested RSUs as of June 30, 2024:

	Unvested RSU's
Expected to vest within 1 year	1,391,812
Expected to vest between 1 to 2 years	1,500,612
Expected to vest between 2 to 3 years	1,086,970
Unvested balance as of June 30, 2024	3,979,394

Below is the compensation expense recognized related to the RSUs within the condensed consolidated statements of operations:

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of direct salaries and benefits	\$ 154	\$ 143	\$ 280	\$ 216
Research and development	2,411	5,443	5,964	10,393
Sales and marketing	255	132	488	31
General and administrative	4,375	2,010	8,139	6,622
Total	\$ 7,195	\$ 7,728	\$ 14,871	\$ 17,262

As of June 30, 2024, estimated unrecognized expense for RSUs that are probable of vesting was \$0,123 with such expense to be recognized over a weighted-average period of approximately 2.19 years.

Founder PSUs

During June 2021, the Company established a long-term incentive compensation plan for the Co-Founders, which consists of performance restricted stock-unit awards (the “Founder PSUs”), that will be settled in shares of Class A Common Stock pursuant to the 2021 Omnibus Incentive Plan, subject to the satisfaction of both service and market based vesting conditions.

The grant date fair value for the Founder PSUs was determined by a Monte Carlo simulation and discounted by the risk-free rate on the grant date and an expected volatility of 45%. The Founder PSUs are estimated to vest over a five year period, based on the achievement of specified price hurdles of the Company’s Class A Common Stock. The specified price hurdles of the Company’s Class A Common Stock will be measured on the volume-weighted average price per share for the trailing days during any 180 day period that ends within the applicable measurement period. In June 2021, the Company granted 4,208,617 Founder PSUs at a weighted average grant date fair value of \$16.54. The Company records the expense related to these awards within general and administrative in the condensed consolidated statements of operations.

As of June 30, 2024, estimated unrecognized expense for Founder PSUs was \$4,076 with such expense to be recognized over a weighted-average period of approximately 0.54 years.

Below is a summary of total compensation expense recorded in relation to the Company’s incentive plans within the condensed consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
RSAs	\$ —	\$ 3	\$ —	\$ 10
RSUs	7,195	7,728	14,871	17,262
Founder PSUs	3,035	6,557	6,024	13,042
Total	\$ 10,230	\$ 14,288	\$ 20,895	\$ 30,314

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of direct salaries and benefits	\$ 154	\$ 143	\$ 280	\$ 216
Research and development	2,411	5,445	5,964	10,397
Sales and marketing	256	132	488	31
General and administrative	7,409	8,568	14,163	19,670
Total	\$ 10,230	\$ 14,288	\$ 20,895	\$ 30,314

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

15. Net Income (Loss) per Common Share

Below is the calculation of basic and diluted net income (loss) per common share:

	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023	
	Class A	Class B	Class A	Class B
Basic:				
Net income attributable to Clear Secure, Inc.	\$ 23,884	\$ 236	\$ 3,971	\$ 40
Weighted-average number of shares outstanding, basic	91,984,045	907,234	89,569,933	907,234
Net income per common share, basic:	\$ 0.26	\$ 0.26	\$ 0.04	\$ 0.04
Diluted:				
Net income attributable to Clear Secure, Inc. used to calculate net income per common share, basic	\$ 23,884	\$ 236	\$ 3,971	\$ 40
Add: reallocation of net income (loss) to Clear Secure, Inc. to reflect dilutive impact	31	(1)	12	—
<i>Net income attributable to Clear Secure, Inc. used to calculate net loss per common share, diluted</i>	23,915	234	3,983	40
Weighted-average number of shares outstanding used to calculate net income per common share, basic	91,984,045	907,234	89,569,933	907,234
Effect of dilutive shares	620,974	—	802,511	—
<i>Weighted-average number of shares outstanding, diluted</i>	92,605,019	907,234	90,372,444	907,234
Net income per common share, diluted:	\$ 0.26	\$ 0.26	\$ 0.04	\$ 0.04

	Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
	Class A	Class B	Class A	Class B
Basic:				
Net income (loss) attributable to Clear Secure, Inc.	\$ 42,507	\$ 419	\$ (1,201)	\$ (12)
Weighted-average number of shares outstanding, basic	91,907,842	907,234	89,318,481	907,234
Net income (loss) per common share, basic:	\$ 0.46	\$ 0.46	\$ (0.01)	\$ (0.01)
Diluted:				
Net income (loss) attributable to Clear Secure, Inc. used to calculate net loss per common share, basic	\$ 42,507	\$ 419	\$ (1,201)	\$ (12)
Add: reallocation of net income (loss) to Clear Secure, Inc. to reflect dilutive impact	218	(1)	—	—
<i>Net income (loss) attributable to Clear Secure, Inc. used to calculate net loss per common share, diluted</i>	42,725	418	(1,201)	(12)
Weighted-average number of shares outstanding used to calculate net income (loss) per common share, basic	91,907,842	907,234	89,318,481	907,234
Effect of dilutive shares	737,575	—	—	—
<i>Weighted-average number of shares outstanding, diluted</i>	92,645,417	907,234	89,318,481	907,234
Net income (loss) per common share, diluted:	\$ 0.46	\$ 0.46	\$ (0.01)	\$ (0.01)

After evaluating the potential dilutive effect under the if-converted method, the outstanding Alclear Units for the assumed exchange of non-controlling interests were determined to be anti-dilutive and thus were excluded from the computation of diluted earnings per share.

The following tables present potentially dilutive securities excluded from the computations of diluted earnings (loss) per share of Class A Common Stock and Class B Common Stock for the three and six months ended June 30, 2024 and June 30, 2023:

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

	Three and Six Months Ended June 30, 2024	
	Class A	Class B
Exchangeable Alclear Units	24,292,253	25,796,690
RSU's	749,301	—
Total	25,041,554	25,796,690

	Six Months Ended June 30, 2023	
	Class A	Class B
Exchangeable Alclear Units	36,092,191	25,796,690
RSA's	13,856	—
RSU's	3,617,422	—
Total	39,723,469	25,796,690

For both the three and six months ended June 30, 2024, the Company has excluded 4,575,939 potentially dilutive shares from the tables above as they had performance conditions that were not achieved as of the end of the periods above.

16. Income Taxes

As a result of the IPO and Reorganization, the Company became the sole managing member of Alclear, which is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Alclear is generally not subject to U.S. federal and most state and local income taxes. Any taxable income or loss generated by Alclear is passed through to and included in the taxable income or loss of its members, including us, on a pro rata basis. The Company is subject to federal income taxes in the U.S. and its territories, in addition to state and local income taxes with respect to our allocable share of any taxable income or loss of Alclear, as well as any stand-alone income or loss generated by the Company. The Company is also subject to income taxes in Israel, Argentina, and Mexico.

The Company reported a tax expense of \$409 on a pretax income of \$39,000 for the three months ended June 30, 2024 as compared to a tax expense of \$211 on a pretax income of \$8,245 for the three months ended June 30, 2023. This resulted in an effective tax rate of 1.0% for the three months ended June 30, 2024 as compared to 2.6% percent for the three months ended June 30, 2023. The Company reported a tax expense of \$2,374 on a pretax income of \$73,053 for the six months ended June 30, 2024, as compared to a tax expense of \$92 on a pretax loss of \$147 for the six months ended June 30, 2023. This resulted in an effective tax rate of 3.2% for the six months ended June 30, 2024 as compared to (62.6%) for the six months ended June 30, 2023. The Company's effective tax rate differs from the statutory rate primarily due to the following: (1) the impact of Alclear being a partnership and allocating its taxable results to its non-controlling members, (2) movement in valuation allowance, and (3) the impact of U.S. federal and state taxes in excess of applicable tax attributes (e.g., net operating losses and general business tax credits). The Company paid \$2,620 and \$2,750, respectively, in estimated income taxes for the three and six months ended June 30, 2024, respectively.

The Company did not have significant unrecognized tax benefits and interest and penalties as of June 30, 2024. The Company is subject to income taxes in the U.S. and its territories, Israel, Argentina, and Mexico. The statute of limitations for adjustments to our historic tax obligations will vary from jurisdiction to jurisdiction. The tax years for U.S. federal and state income tax purposes open for examination are for the years ending December 31, 2018 and forward. The tax years for foreign jurisdictions open for examination are for the years ending December 31, 2019 and forward.

Recent U.S. Tax Legislation

On August 16, 2022, President Biden signed into law the Inflation Reduction Act. The Inflation Reduction Act creates a 15% corporate alternative minimum tax on profit of corporations whose average annual adjusted financial statement income for any consecutive three-tax-year period preceding the tax year exceeds \$1 billion and is effective for tax years beginning after December 31, 2022. This provision did not have a material impact on the condensed consolidated financial statements for the

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

six months ended June 30, 2024. Additionally, the Inflation Reduction Act creates an excise tax of 1% on the fair market value of net stock repurchases made after December 31, 2022. During the six months ended June 30, 2024, the Company repurchased 7,983,612 shares of its Class A Common Stock. However, the Company did not record an excise tax as of June 30, 2024 because stock issuances were in excess of repurchases.

Tax Receivable Agreement

As stated in Note 1, in connection with the IPO, the Company entered into the TRA, which generally provides for payment by the Company to the remaining members of Alclear of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax that Clear Secure, Inc. actually realizes or is deemed to realize as a result of (i) any increase in tax basis in Alclear's assets resulting from (a) exchanges by Alclear members (or their transferees or other assignees) of Alclear Units (along with the corresponding shares of our Class C Common Stock or Class D Common Stock, as applicable) for shares of the Company's Class A Common Stock or Class B Common Stock, as applicable, and purchases of Alclear Units and corresponding shares of Class C Common Stock or Class D Common Stock, as the case may be, from the Alclear members (or their transferees or other assignees) or (b) payments under the TRA, and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the TRA. The Company will retain the benefit of the remaining 15% of these net cash savings.

The TRA liability is calculated by determining the tax basis subject to TRA ("tax basis") and applying a blended tax rate to the basis differences and calculating the iterative impact. The blended tax rate consists of the U.S. federal income tax rate and an assumed combined state and local income tax rate driven by the apportionment factors applicable to each state. Subsequent changes to the measurement of the TRA liability are recognized in the condensed consolidated statements of operations as a component of other income (expense), net.

The Company expects to obtain an increase in the share of the tax basis of its share of the assets of Alclear when Alclear Units are redeemed or exchanged by Alclear Members and other qualifying transactions. This increase in tax basis may have the effect of reducing the amounts that the Company would otherwise pay in the future to various tax authorities. The increase in tax basis may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

During the six months ended June 30, 2024, the Company issued 7,942,661 shares of Class A Common Stock to certain non-controlling interest holders who exchanged their Alclear Units. Refer to Note 14 for further details. These exchanges resulted in a tax basis increase subject to the provisions of the TRA. The recognition of the Company's liability under the tax receivable agreement mirrors the recognition related to its deferred tax assets. As of June 30, 2024, the Company has not recognized the deferred tax asset for the step-up in tax basis, as the asset is not more-likely-than-not to be realized. Additionally, as of June 30, 2024, the Company has determined the TRA liability is not probable and therefore has not recorded a tax receivable liability that, if recorded, would be approximately \$129,057.

Tax Distributions

The members of Alclear, including Clear Secure, Inc., incur U.S. federal, state and local income taxes on their share of any taxable income of Alclear. The Operating Agreement provides for pro rata cash distributions ("tax distributions") to the holders of the Alclear Units in an amount generally calculated to provide each member of Alclear with sufficient cash to cover its tax liability in respect of the taxable income of Alclear allocable to them. In general, these tax distributions are computed based on Alclear's estimated taxable income, multiplied by an assumed tax rate as set forth in the Operating Agreement.

For the six months ended June 30, 2024, Alclear paid tax distributions totaling \$24,100 to holders of Alclear Units other than the Company, and recorded a liability of \$11,925 to holders of Alclear Units other than the Company.

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)**17. Commitments and Contingencies*****Litigation***

From time to time, the Company is involved in various legal proceedings arising in the ordinary course of business. The Company records a liability when it believes that it is probable that a loss will be incurred and the amount of loss or range of loss can be reasonably estimated. Based on the currently available information, the Company does not believe that there are claims or legal proceedings that would have a material adverse effect on the business, or the condensed consolidated financial statements of the Company.

Commitments other than leases

The Company is subject to minimum spend commitments of \$544 over the next one year under certain service arrangements.

In conjunction with the Company's revenue share agreements with the airports, certain agreements contain minimum annual contracted fees. These future minimum payments are as follows as of June 30, 2024:

2024	\$	14,454
2025		24,968
2026		12,268
2027		9,291
2028		8,062
Thereafter		1,230
Total	\$	70,273

The Company has commitments for future marketing expenditures to sports stadiums of \$6,769 through 2027. For the three months ended June 30, 2024 and 2023, marketing expenses related to sports stadiums were \$1,167 and \$1,391, respectively. For the six months ended June 30, 2024 and 2023 marketing expenses related to sports stadiums were \$2,416 and \$2,660, respectively.

18. Related Party Transactions

As of June 30, 2024, and December 31, 2023, the Company had total payables to certain related parties of \$2,877 and \$3,508, respectively.

In connection with certain related parties, for the three months ended June 30, 2024 and 2023, the Company recorded \$2,716 and \$2,814, respectively, in cost of revenue share fee within the condensed consolidated statements of operations. For the six months ended June 30, 2024 and 2023, the Company recorded expense of \$5,952 and \$5,664, respectively, within the condensed consolidated statements of operations.

Refer to [Note 16](#) for information regarding the TRA liability. Refer to [Note 12](#) regarding transactions between certain related parties with regards to warrants.

19. Employee Benefit Plan

The Company has a 401(k) retirement, savings and investment plan (the "401(k) Plan"). Participants make contributions to the 401(k) Plan in varying amounts, up to the maximum limits allowable under the Internal Revenue Code. For the three months ended June 30, 2024 and 2023, the Company recorded expense of \$446 and \$553, respectively, within the condensed consolidated statements of operations. For the six months ended June 30, 2024 and 2023, the Company recorded expense of \$1,348 and \$1,395, respectively, within the condensed consolidated statements of operations.

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

20. Debt

In March 2020, the Company entered into a credit agreement for a three-year \$50,000 revolving credit facility, with a group of lenders. In April 2021, the Company entered into Amendment No. 1 to the Credit Agreement that increased the commitments under the revolving credit facility to \$100,000, which extended the maturity date to March 31, 2024. The revolving credit facility includes a letter of credit sub-facility. In June 2023, the Company entered into Amendment No. 2 to the Credit Agreement to transition from London Interbank Offered Rate to the Secured Overnight Financing Rate ("SOFR") as our benchmark interest rate and to extend the maturity date to June 28, 2026. The line of credit has not been drawn against as of June 30, 2024. Prepaid loan fees related to this facility are capitalized and amortized over the remaining term of the credit agreement. The balance expected to be amortized within twelve months from the balance sheet date is presented within Prepaid and other current assets on the condensed consolidated balance sheets, while the long term portion is presented within Other assets in the condensed consolidated balance sheets.

The Company incurred \$396 of debt issuance costs in connection to Amendment No.2 to the Credit Agreement. As of June 30, 2024 and December 31, 2023, the balance of these loan fees was \$264 and \$419, respectively.

The Credit Agreement contains customary terms and conditions, including limitations on consolidations, mergers, indebtedness, and certain payments, as well as a financial covenant relating to leverage. Borrowings under the Credit Agreement generally will bear a floating interest rate per year and will also include interest based on the greater of the prime rate, SOFR, or New York Federal Reserve Bank (NYFRB) rate, plus an applicable margin for specific interest periods.

As of June 30, 2024, the Company had a remaining borrowing capacity of \$68,334, net of standby letters of credit, and had no outstanding debt obligations.

In addition, the Credit Agreement contains certain other covenants (none of which relate to financial condition), events of default and other customary provisions. As of June 30, 2024, the Company was in compliance with all of the financial and non-financial covenants of the Credit Agreement.

21. Subsequent Events

Quarterly Dividend

On August 2, 2024, the Company announced that its Board declared a quarterly dividend of \$0.10 per share, payable on September 17, 2024 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on September 10, 2024 (the "Record Date"). The Company will fund the dividend from proportionate cash distributions by Alclear to all of its members as of the Record Date, including holders of non-controlling interests in Alclear and the Company.

To the extent the quarterly dividend exceeds the Company's current and accumulated earnings and profits, a portion of such dividend may be deemed a return of capital gain to the holders of our Class A Common Stock or Class B Common Stock, as applicable.

Share Repurchases

During the third quarter of 2024, Delta Air Lines exchanged 4,000,000 of their Alclear Units and corresponding shares of Class C Common Stock for shares of the Company's Class A Common Stock, and the Company repurchased and retired the shares of Class A Common Stock.

On August 5, 2024, the Company announced that its Board authorized a \$100,000 increase to its existing Class A Common Stock share repurchase program, resulting in an aggregate remaining authorization of approximately \$100,000, after giving effect to the repurchase from Delta Air Lines. Under the repurchase program, the Company may purchase shares of its Class A Common Stock on a discretionary basis from time to time through open market repurchases, privately negotiated transactions, or other means, including through Rule 10b5-1 trading plans. The timing and actual number of shares repurchased

CLEAR SECURE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for share and per share data, unless otherwise noted)

will be determined by management depending on a variety of factors, including stock price, trading volume, market conditions, and other general business considerations. The repurchase program has no expiration date and may be modified, suspended, or terminated at any time.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help readers understand our results of operations, financial condition and cash flows and should be read in conjunction with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 ("Annual Report on Form 10-K"). This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below.

For purposes of this MD&A, the term "we" and other forms thereof refer to Clear Secure, Inc. and its subsidiaries (collectively, the "Company"), which includes Alclear Holdings, LLC ("Alclear").

Forward-Looking Statements

This quarterly report includes certain forward-looking statements within the meaning of the federal securities laws regarding, among other things, our or management's intentions, plans, beliefs, expectations or predictions of future events, which are considered forward-looking statements. You should not place undue reliance on those statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate," or similar expressions. These statements are based upon assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. As you read this quarterly report, you should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions, including those described under the heading "Risk Factors" in our Annual Report on Form 10-K. Although we believe that these forward-looking statements are based upon reasonable assumptions, you should be aware that many factors, including those described under the heading "Risk Factors" in our Annual Report on Form 10-K, could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements.

Our forward-looking statements made herein are made only as of the date of this quarterly report. We expressly disclaim any intent, obligation or undertaking to update or revise any forward-looking statements made herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this quarterly report.

Overview

CLEAR is an identity company making experiences safer and easier digitally and physically. We make everyday experiences frictionless by connecting your identity to all the things that make you, YOU - transforming the way you live, work, and travel. CLEAR has been delivering secure, friction-free experiences in airports for over 14 years, achieving exceptional user delight and trust with CLEAR Plus, our consumer aviation subscription service. CLEAR Plus enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints nationwide. As we continue to innovate on the travel experience, we are proud to offer TSA PreCheck® Enrollment Provided by CLEAR – offering consumers increased choice in how and where to sign up for this popular trusted traveler program. Our free flagship CLEAR app offers consumer products like Home-to-Gate, which includes RESERVE Powered by CLEAR, our virtual queuing technology that enables customers to prebook a spot in the airport security line so they don't have to wait. CLEAR Verified, our B2B offering, enables our partners to leverage our digital identity technology and reusable member network to facilitate secure and frictionless experiences digitally and physically via our software development kits and application programming interfaces.

Key Factors Affecting Performance

We believe that our current and future financial growth are dependent upon many factors, including the key factors affecting performance described below.

Ability to Grow Total Cumulative Enrollments

We are focused on growing Total Cumulative Enrollments and the number of Members that engage with our platform. Our operating results and growth opportunities depend, in part, on our ability to attract new Members, including paying Members (CLEAR Plus Members) as well as new platform Members. We rely on multiple channels to attract new CLEAR Plus Members, including in-airport (our largest channel) which in turn is dependent on the ongoing ability of our Ambassadors to successfully engage with the traveling public. We also rely on numerous digital channels such as paid search and partnerships. We also entered into strategic distribution partnerships with partners such as Delta Air Lines, United Airlines, Alaska Airlines, Hawaiian Airlines and American Express that promote our services to their customers on a discounted or subsidized basis which allows us to efficiently scale membership in CLEAR Plus. In March 2024 we renewed our partnership with American Express for the first of two one year renewal terms. In many cases, we offer limited time free trials to new Members who may convert to paying Members upon the completion of their trial. Our future success is dependent on those channels continuing to drive new Members and our ability to convert free trial Members into paying Members.

We believe we will see an acceleration of Total Cumulative Platform Uses relative to Total Cumulative Enrollments over time as our Members use our products across multiple locations and use cases. We believe this dynamic will grow the long-term economic value of our platform by increasing total engagement, expanding our margins and maximizing our revenue. Our future success is dependent upon maintaining and growing our partnerships as well as ensuring our platform remains compelling to Members.

Although we have historically grown the number of new Members over time and successfully converted some free trial Members to paying Members, our future success is dependent upon our ongoing ability to do so.

Ability to retain CLEAR Plus Members

Our ability to execute on our growth strategy is focused, in part, on our ability to retain our existing CLEAR Plus Members. Frequency and recency of usage are the leading indicators of retention, and we must continue to provide frictionless and predictable experiences that our Members will use in their daily lives. We are subject to various factors which may be out of our control and may impact our Member experience, such as checkpoint staffing generally, checkpoint queue configurations and Registered Traveler policies adopted by TSA. For example, the TSA employs varied randomization as part of their normal security processes. If the TSA materially increases randomized reverification rates for CLEAR Plus Members at the checkpoint or makes other adjustments to checkpoint processes, it may negatively impact the Lane experience and therefore may impact our ability to retain CLEAR Plus Members.

The value of the CLEAR platform to our Members increases as we add more use cases and partnerships, which in turn drives more frequent usage and increases retention. Historically, CLEAR Plus Members who used CLEAR in both aviation and non-aviation venues renewed at rates materially above those who used CLEAR only in aviation. We cannot be sure that we will be successful in retaining our Members due to any number of factors such as our inability to successfully implement a new product, adoption of our technology, harm to our brand or other factors.

Ability to add new partners, retain existing partners and generate new revenue streams

Our partners include local airport authorities, airlines and other businesses. Our future success depends on maintaining those relationships, adding new relationships and maintaining favorable business terms. In addition, our growth strategy relies on creating new revenue streams such as per partner, per Member or per use transaction fees. Although we believe our service provides significant value to our partners, our success depends on creating mutually beneficial partnership agreements. We are focused on innovating both our product and our platform to improve our Members' experience, improve safety and security and introduce new use cases. We intend to accelerate our pace of innovation to add more features and use cases, to ultimately deliver greater value to our Members and partners. In the near term, we believe that growing our Member base facilitates our ability to add new partnerships and provide additional offerings, which we expect will lead to revenue generation opportunities in the long term.

Timing of new partner, product and location launches

Our financial performance is dependent in part on new partner, product and location launches. In many cases, we cannot predict the exact timing of those launches. Delays, resulting either from internal or external factors, may have a material effect on our financial results.

Timing of expenses; Discretionary investments

Although many of our expenses occur in a predictable fashion, certain expenses may fluctuate from period to period due to timing.

In addition, management may make discretionary investments when it sees an opportunity to accelerate growth, add a new partner or acquire talent, among other reasons. This may lead to volatility or unpredictability in our expense base and in our profitability.

Maintaining strong unit economics

Our business model is powered by network effects and has historically been characterized by efficient Member acquisition and high Member retention rates. While we believe our unit economics will remain attractive, this is dependent on our ability to add new Members efficiently and maintain our historically strong retention rates. As we grow our market penetration, the cost to acquire new Members could increase and the experience we deliver to Members could degrade, causing lower retention rates. For our definitions of “Lifetime Value” and “Customer Acquisition Cost” and information about how we calculate these metrics, see the section titled “Business—Our Member Acquisition and Retention Strategy” in our Annual Report on Form 10-K.

Changes to the macro environment

Our business is dependent on macroeconomic and other events outside of our control, such as decreased levels of travel or attendance at events, terrorism, civil unrest, political instability, union and other transit related strikes and other general economic conditions. We are also subject to changes in discretionary consumer spending.

Taxation and Expenses

After the consummation of our IPO, we became subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of Alclear and will be taxed at the prevailing corporate tax rates. Alclear is treated as flow-through entity for U.S. federal income tax purposes, and as such, has generally not been subject to U.S. federal income tax at the entity level. Accordingly, the historical results of operations and other financial information set forth in the Annual Report on Form 10-K do not include any material provisions for U.S. federal income tax for the periods prior to our IPO.

In addition to tax expense, we incur expenses related to our operations, plus payments under the tax receivable agreement (“TRA”) described below, which we expect to be significant. We intend to cause Alclear to make distributions in an amount sufficient to allow us to pay our tax obligations and operating expenses, including distributions to fund any ordinary course payments under the TRA.

Following our IPO, we have and we expect to continue to incur increased amounts of compensation expense, including related to equity awards granted under the 2021 Omnibus Incentive Plan to both existing employees and newly-hired employees, and grants in connection with new hires could be significant. In addition, as a new public company, we are implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect to incur additional expenses related to these steps and, among other things, additional directors’ and officers’ liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses.

Tax Receivable Agreement

In connection with the IPO we entered into the TRA with the Alclear Members that provides for the payment by us to the Alclear Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize (computed using simplifying assumptions to address the impact of state and local taxes) as a result of (i) any increase in tax basis in Alclear’s assets resulting from (a) exchanges by the Alclear Members (or their transferees or other assignees) of Alclear Units (along with the corresponding shares of our Class C Common Stock or Class D Common Stock, as applicable) for shares of our Class A common stock, \$0.00001 par value per share (“Class A Common Stock”) or Class B common stock, \$0.00001 par value per share (“Class B Common Stock”) as applicable, and purchases of Alclear Units and corresponding shares of Class C common stock, par value \$0.00001 per share (“Class C Common Stock”) or Class D common stock, \$0.00001 par value per share (“Class D Common Stock” and, together with the Class A Common Stock, Class B Common Stock and Class C Common Stock, collectively, “Common Stock”), as the case may be, from Alclear Members (or their transferees or other assignees) or (b) payments under the TRA, and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the TRA.

The actual increase in tax basis, as well as the amount and timing of any payments under these agreements, varies depending upon a number of factors, including the timing of exchanges by or purchases from the Alclear Members, the price of our Class A Common Stock at the time of the exchange, the extent to which such exchanges are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable and the portion of our payments under the TRA constituting imputed interest.

During the three and six months ended June 30, 2024, the Company recognized certain exchanges. As of June 30, 2024, the Company did not record a TRA liability as a result of these exchanges.

Key Performance Indicators

To evaluate performance of the business, we utilize a variety of other non-GAAP financial reporting and performance measures. These key measures include Total Bookings, Total Cumulative Enrollments, Total Cumulative Platform Uses, Annual CLEAR Plus Net Member Retention, Annual CLEAR Plus Gross Dollar Retention, Active CLEAR Plus Members, and Annual CLEAR Plus Member Usage.

Total Bookings

Total Bookings represent our total revenue plus the change in deferred revenue during the period. Total Bookings in any particular period reflect sales to new and renewing CLEAR Plus subscribers plus any accrued billings to partners. Management believes that Total Bookings is an important measure of the current health and growth of the business and views it as a leading indicator.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Total Bookings (in millions)	\$ 197.0	\$ 175.1	\$ 21.9	13 %	\$ 377.6	\$ 324.8	\$ 52.8	16 %

Total Bookings increased by \$21.9 million, or 13%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The increase was primarily driven by new Member enrollments, pricing increases, and strong retention of existing Members.

Total Bookings increased by \$52.8 million, or 16%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The increase was primarily driven by new Member enrollments, pricing increases, and strong retention of existing Members.

Total Cumulative Enrollments

We define Total Cumulative Enrollments as the number of enrollments since inception as of the end of the period. An Enrollment is defined as any Member who has registered for the CLEAR platform since inception and has a profile (including limited time free trials regardless of conversion to paid membership) net of duplicate and/or purged accounts. This includes CLEAR Plus Members who have completed enrollment with CLEAR and have ever activated a payment method, plus associated family accounts. Management views this metric as an important tool to analyze the efficacy of our growth and marketing initiatives as new Members are potentially a current and leading indicator of revenues.

	As of June 30,			
	2024	2023	Change	% Change
Total Cumulative Enrollments (in thousands)	24,221	17,385	6,836	39%

Total Cumulative Enrollments were 24,221 as of June 30, 2024 and 17,385 as of June 30, 2023, which represented a 39% increase. The year-over-year increase was driven by CLEAR Verified and CLEAR Plus enrollments.

Total Cumulative Platform Uses

We define Total Cumulative Platform Uses as the number of individual engagements across CLEAR use cases, including CLEAR Plus, our flagship app and CLEAR Verified, since inception as of the end of the period. Management views this metric as an important tool to analyze the level of engagement of our Member base which can be a leading indicator of future growth, retention and revenue.

	As of June 30,			
	2024	2023	Change	% Change
Total Cumulative Platform Uses (in thousands)	206,673	154,317	52,356	34%

Total Cumulative Platform Uses was 206,673 as of June 30, 2024 and 154,317 as of June 30, 2023, which represented a 34% increase, driven by CLEAR Plus verifications combined with increased contributions from CLEAR Verified uses.

Annual CLEAR Plus Net Member Retention

We define Annual CLEAR Plus Net Member Retention as one minus the CLEAR Plus net Member churn on a rolling 12 month basis. We define “CLEAR Plus net Member churn” as total cancellations net of winbacks in the trailing 12 month period divided by the average Active CLEAR Plus Members as of the beginning of each month within the same 12 month period. Winbacks are defined as reactivated Members who have been cancelled for at least 60 days. Active CLEAR Plus Members are defined as Members who have completed enrollment with CLEAR and have activated a payment method for our in-airport CLEAR Plus service, including their registered family plan Members. Active CLEAR Plus Members also include those in a grace period of up to 51 days after a billing failure during which time we attempt to collect updated payment information. Management views this metric as an important tool to analyze the level of engagement of our Member base, which can be a leading indicator of future growth and revenue, as well as an indicator of customer satisfaction and long term business economics.

	As of June 30,		
	2024	2023	% Change
Annual CLEAR Plus Net Member Retention	83.2%	90.7%	(7.5%)

Annual CLEAR Plus Net Member Retention was 83.2% as of June 30, 2024 and 90.7% as of June 30, 2023, a year-over year decrease of 750 basis points. The decrease was primarily driven by a larger pool of Members up for renewal year-over-year, a normalization of winbacks, and NextGen Identity+ upgrades, which we prioritized over our typical focus on reactivating Members in the lane.

Annual CLEAR Plus Gross Dollar Retention

We define Annual CLEAR Plus Gross Dollar Retention as the net bookings collected from a Fixed Cohort of Members during the Current Period as a percentage of the net bookings collected from the same Fixed Cohort during the Prior Period. The Current Period is the 12-month period ending on the reporting date, the Prior Period is the 12-month period ending on the reporting date one year earlier. The Fixed Cohort is defined as all Active CLEAR Plus Members as of the last day of the Prior Period who have activated a payment method for our in-airport CLEAR Plus service, including their registered family plan Members. Active CLEAR Plus Members also include those in a grace period of up to 51 days after a billing failure during which time we attempt to collect updated payment information. Bookings received from a third party as part of a partnership agreement are excluded from both periods; all Members, including those on a free or discounted plan, or who receive a full statement credit, only impact Annual CLEAR Plus Gross Dollar Retention to the extent that they are paying anything out-of-pocket on behalf of themselves or a registered family plan Member.

	As of June 30,		
	2024	2023	% Change
Annual CLEAR Plus Gross Dollar Retention	89.3%	87.7%	1.6%

Annual CLEAR Plus Gross Dollar Retention was 89.3% as of June 30, 2024 and 87.7% as of June 30, 2023, a year-over-year increase of 160 basis points. The year-over-year change was driven by pricing benefits, primarily from paying CLEAR Plus members on a family plan, and strong Member retention.

Active CLEAR Plus Members

We define Active CLEAR Plus Members as the number of members with an active CLEAR Plus subscription as of the end of the period. This includes CLEAR Plus members who have an activated payment method, plus associated family accounts and is inclusive of members who are in a limited time free trial; it excludes duplicate and/or purged accounts. Management views this as an important tool to measure the growth of its CLEAR Plus product.

	As of June 30,		
	2024	2023	% Change
Active Clear Plus Members	7,095	6,183	15 %

Active CLEAR Plus Members was 7,095 as of June 30, 2024 and 6,183 as of June 30, 2023, which represented a 15% increase, driven by new Members added through new and existing airports as well as partner and organic channels.

Annual CLEAR Plus Member Usage

We define Annual CLEAR Plus Member Usage as the total number of unique CLEAR Plus airport verifications in the 365 days prior to the end of the period divided by active CLEAR Plus Members as of the end of the period who have been enrolled for at least 365 days. The numerator includes only verifications of the population in the denominator. Management views this as an important tool to analyze the level of engagement of our active CLEAR Plus Member base.

	As of June 30,		
	2024	2023	% Change
Annual CLEAR Plus Member Usage	7.4x x	8.7x	(15 %)

Annual Usage was 7.4x as of June 30, 2024 and 8.7x as of June 30, 2023, which represented a 15% decrease.

Non-GAAP Financial Measures

In addition to our results as determined in accordance with GAAP, we disclose Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Adjusted Net Income and Adjusted Net Income per Common Share, Basic and Diluted as non-GAAP financial measures that management believes provide useful information to investors. These measures are not financial measures calculated in accordance with GAAP and should not be considered as a substitute for net income (loss), net cash provided by (used in) operating activities or any other operating performance measure calculated in accordance with GAAP, and may not be comparable to a similarly titled measure reported by other companies. Our Non-GAAP financial measures are expressed in thousands.

We periodically reassess the components of our Non-GAAP adjustments for changes in how we evaluate our performance and changes in how we make financial and operational decisions to ensure the adjustments remain relevant and meaningful.

Adjusted EBITDA and Adjusted EBITDA Margin

We define Adjusted EBITDA as net income (loss) adjusted for income taxes, interest (income) expense net, depreciation and amortization, impairment and losses on asset disposals, equity-based compensation expense, mark to market of warrant liabilities, net other income (expense) excluding sublease rental income, acquisition-related costs and changes in fair value of contingent consideration. Adjusted EBITDA is an important financial measure used by management and our board of directors ("Board") to evaluate business performance. During the third quarter of fiscal year 2022, we revised our definition of Adjusted EBITDA (Loss) to exclude sublease rental income from our other income (expense) adjustment. During the fourth quarter of fiscal year 2022, we revised our definition of Adjusted EBITDA to include impairment on assets as a separate component. We did not revise prior years' Adjusted EBITDA because there was no impact of a similar nature in the prior period that affects comparability. Adjusted EBITDA margin is adjusted EBITDA, divided by total revenues.

Adjusted Net Income

We define Adjusted Net Income as net income (loss) attributable to Clear Secure, Inc. adjusted for the net income (loss) attributable to non-controlling interests, equity-based compensation expense, amortization of acquired intangible assets, acquisition-related costs, changes in fair value of contingent consideration and the income tax effect of these adjustments. Adjusted Net Income is used in the calculation of Adjusted Net Income per Common Share as defined below.

Adjusted Net Income per Common Share

We compute Adjusted Net Income per Common Share, Basic as Adjusted Net Income divided by Adjusted Weighted-Average Shares Outstanding for our Class A Common Stock, Class B Common Stock, Class C Common Stock and Class D Common Stock assuming the exchange of all vested and outstanding common units in Aleclear at the end of each period presented. We do not present Adjusted Net Income per Common Share for shares of our Class B Common Stock although they are participating securities based on the assumed conversion of those shares to our Class A Common Stock. We do not present Adjusted Net Income per Common Share on a dilutive basis for periods where we have Adjusted Net Income since we do not assume the conversion of any potentially dilutive equity instruments as the result would be anti-dilutive. In periods where we have Adjusted Net Income, the Company also calculates Adjusted Net Income per Common Share, Diluted based on the effect of potentially dilutive equity instruments for the periods presented using the treasury stock/if-converted method, as applicable.

Adjusted Net Income and Adjusted Net Income per Common Share exclude, to the extent applicable, the tax effected impact of non-cash expenses and other items that are not directly related to our core operations. These items are excluded because they are connected to the Company's long term growth plan and not intended to increase short term revenue in a specific period. Further, to the extent that other companies use similar methods in calculating non-GAAP measures, the provision of supplemental non-GAAP information can allow for a comparison of the Company's relative performance against other companies that also report non-GAAP operating results.

Free Cash Flow

We define Free Cash Flow as net cash provided by operating activities adjusted for purchases of property and equipment. With regards to our CLEAR Plus subscription service, we generally collect cash from our members upfront for annual subscriptions. As a result, when the business is growing Free Cash Flow can be a real time indicator of the current trajectory of the business.

See below for reconciliations of these non-GAAP financial measures to their most comparable GAAP measures.

Reconciliation of Net Income (Loss) to Adjusted EBITDA:

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 38,591	\$ 8,034	\$ 70,679	\$ (239)
Income tax expense	409	211	2,374	92
Interest income, net	(8,247)	(7,394)	(18,172)	(13,786)
Other income (expense), net	28	(189)	33	(227)
Depreciation and amortization	6,441	4,989	12,533	10,156
Impairment on assets	—	74	—	3,707
Equity-based compensation expense	10,230	14,288	20,895	30,937
Adjusted EBITDA	\$ 47,452	\$ 20,013	\$ 88,342	\$ 30,640
Revenue	\$ 186,745	\$ 149,871	\$ 365,794	\$ 282,227
Net income Margin	21 %	5 %	19 %	— %
Adjusted EBITDA Margin	25 %	13 %	24 %	11 %

Reconciliation of Net Income (Loss) to Adjusted Net Income

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) attributable to Clear Secure, Inc.	\$ 24,119	\$ 4,011	\$ 42,925	\$ (1,213)
Reallocation of net loss attributable to non-controlling interests	14,472	4,023	27,754	974
Net income (loss)	38,591	8,034	70,679	(239)
Equity-based compensation expense	10,230	14,288	20,895	30,937
Amortization of acquired intangibles	871	790	1,742	1,580
Income tax effect	(426)	(300)	(1,951)	(650)
Adjusted Net Income	\$ 49,266	\$ 22,812	\$ 91,365	\$ 31,628

Calculation of Adjusted Weighted-Average Shares Outstanding Basic and Diluted

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Weighted-average number of shares outstanding, basic for Class A Common Stock	91,984,045	89,569,933	91,907,842	89,318,481
<i>Adjustments</i>				
Assumed weighted-average conversion of issued and outstanding Class B Common Stock	907,234	907,234	907,234	907,234
Assumed weighted-average conversion of issued and outstanding Class C Common Stock	25,837,260	36,176,257	28,423,752	36,519,954
Assumed weighted-average conversion of issued and outstanding Class D Common Stock	25,796,690	25,796,690	25,796,690	25,796,690
Adjusted Weighted-Average Number of Shares Outstanding, Basic	144,525,229	152,450,114	147,035,518	152,542,359
Weighted-average impact of unvested RSAs	—	32,111	—	71,056
Weighted-average impact of unvested RSUs	596,628	770,400	714,008	833,560
Weighted-average impact of unvested performance based RSUs	24,346	—	23,567	—
<i>Total incremental shares</i>	620,974	802,511	737,575	904,616
Adjusted Weighted-Average Number of Shares Outstanding, Diluted	145,146,203	153,252,625	147,773,093	153,446,975

Calculation of Adjusted Net Income per Common Share, Basic

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Adjusted Net Income in thousands	\$ 49,266	\$ 22,812	\$ 91,365	\$ 31,628
Adjusted Weighted-Average Number of Shares Outstanding, Basic	144,525,229	152,450,114	147,035,518	152,542,359
Adjusted Net Income per Common Share, Basic	\$ 0.34	\$ 0.15	\$ 0.62	\$ 0.21

Calculation of Adjusted Net Income per Common Share, Diluted

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Adjusted Net Income in thousands	\$ 49,266	\$ 22,812	\$ 91,365	\$ 31,628
Adjusted Weighted-Average Number of Shares Outstanding, Diluted	145,146,203	153,252,625	147,773,093	153,446,975
Adjusted Net Income per Common Share, Diluted:	\$ 0.34	\$ 0.15	\$ 0.62	\$ 0.21

Summary of Adjusted Net Income per Common Share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Adjusted Net Income per Common Share, Basic	\$ 0.34	\$ 0.15	\$ 0.62	\$ 0.21
Adjusted Net Income per Common Share, Diluted	\$ 0.34	\$ 0.15	\$ 0.62	\$ 0.21

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow:

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	\$ 114,584	\$ 75,005	\$ 194,933	\$ 135,762
Purchases of property and equipment	(4,440)	(8,380)	(7,216)	(17,790)
Free Cash Flow	\$ 110,144	\$ 66,625	\$ 187,717	\$ 117,972

Components of Results of Operations
Revenue

The Company derives substantially all of its revenue from subscriptions to its consumer aviation service, CLEAR Plus. The Company offers certain limited-time free trials, family pricing, and other beneficial pricing through several channels, including airline and credit card partnerships. Membership subscription revenue is presented net of taxes, refunds, credit card chargebacks, and estimated amounts due to a credit card partner. Membership subscription revenue is also reduced by the Company's funded portion of credit card benefits issued to Members through a partnership with a credit card company at the end of the contract period. The Company's funded portion varies based on total number of Members for the contract year.

The Company also generates revenue in relation to CLEAR Verified. While contract structure may vary by use case, these deals are typically multi-year, recurring contracts that drive revenue primarily through transaction fees charged either per use or per user over a predefined time period, which sometimes includes tiered pricing. In addition, they may also include one-time implementation fees, licensing fees or incremental transaction fees. Revenues from our partners, and the percentage of our total revenue from these partners, have historically been immaterial.

The Company generates additional revenue from TSA PreCheck® Enrollment Provided by CLEAR. The Company offers consumers increased choice in how and where to sign up for this popular trusted traveler program through both online and in person enrollments and renewals across multiple locations. The Company continues to launch additional locations on a rolling basis, subject to TSA approval. The Company recognizes the revenue from these services net of fees remitted to TSA and the Federal Bureau of Investigation within the Company's condensed consolidated statements of operations. The Company recognizes these revenues on a per transaction basis upon completion of each enrollment or renewal.

Operating Expenses

Cost of revenue share fee

The Company operates as a concessionaire in airports and shares a portion of the gross receipts generated from the Company's Members with the host airports and airlines ("Revenue Share"). The Revenue Share fee is generally prepaid to the host airport in the period collected from the Member. The Revenue Share fee is capitalized and subsequently amortized to operating expense over each Member's subscription period. Such prepayments are recorded in "Prepaid revenue share fee" in the Company's consolidated balance sheets. Cost of revenue share fee also includes a fixed fee component which is expensed in the period incurred and certain overhead related expenses paid to the airports in relation to our Revenue Share arrangements.

Cost of direct salaries and benefits

Cost of direct salaries and benefits includes employee-related expenses and allocated overhead associated with our field Ambassadors and field managers directly assisting Members and their corresponding travel related costs. Employee-related costs recorded in direct salaries and benefits consist of salaries, taxes, benefits and equity-based compensation and expenses under arrangements related to the use of certain space at airports.

Research and development

Research and development expenses consist primarily of employee related expenses, allocated overhead costs and costs for contractors related to the Company's development of new products and services and improving existing products and services. Research and development costs are generally expensed as incurred, except for costs incurred in connection with the development of internal-use software that qualify for capitalization as described in our internal-use software policy. Employee related compensation costs consist of salaries, taxes, benefits and equity-based compensation.

Sales and marketing

Sales and marketing expenses consist primarily of costs of general marketing and promotional activities, advertising fees used to drive subscriber acquisition, commissions, the production costs to create our advertisements, expenses related to employees who manage our sales and marketing efforts, as well as brand and allocated overhead costs.

General and administrative

General and administrative expenses consist primarily of employee-related expenses for the executive, finance, accounting, legal, and human resources functions. Employee-related expenses consist of salaries, taxes, benefits and equity-based compensation. In addition, general and administrative expenses include non-personnel costs, such as legal, accounting and other professional fees, warrant expense, variable credit card fees, variable mobile enrollment costs, and all other supporting corporate expenses not allocated to other departments including overhead and acquisition-related costs.

Interest income, net

Interest income, net primarily consists of interest income from our investment holdings and discount accretion on our marketable securities partially offset by issuance costs on our revolving credit facility.

Other income, net

Other income, net consists of certain non-recurring non-operating items including items such as sublease income, and changes in the fair value of contingent consideration.

Provision (benefit) for income taxes

As a result of the IPO and Reorganization, the Company became the sole managing member of Alclear, which is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Alclear is not subject to U.S. federal and most state and local income taxes. Any taxable income or loss generated by Alclear is passed through to and included in the taxable income or loss of its members, including the Company, based on ownership interest. The Company is subject to federal income taxes in the U.S. and its territories, in addition to state and local income taxes with respect to its allocable share of any taxable income or loss of Alclear, as well as any stand-alone income or loss generated by the Company. The Company is also subject to income taxes in Israel, Argentina, and Mexico.

Comparison of the three and six months ended June 30, 2024 and 2023 (in millions):

	Three Months Ended June 30,		\$ Change	% Change
	2024	2023		
Revenue	\$ 186.7	\$ 149.9	\$ 36.9	25 %
Operating expenses:				
Cost of revenue share fee	26.1	21.2	4.9	23 %
Cost of direct salaries and benefits	40.1	34.2	5.9	17 %
Research and development	17.4	22.3	(4.9)	(22) %
Sales and marketing	11.0	10.8	0.2	2 %
General and administrative	55.4	56.1	(0.8)	(1) %
Depreciation and amortization	6.4	5.0	1.4	29 %
Operating income (loss)	30.3	0.2	30.1	—
Other income (expense)				
Interest income, net	8.2	7.4	0.9	N/A
Other income, net	0.4	0.6	(0.2)	N/A
Income before tax	39.0	8.2	30.8	—
Income tax expense	(0.4)	(0.2)	(0.2)	N/A
Net income	\$ 38.6	\$ 8.0	\$ 30.6	—

	Six Months Ended June 30,		\$ Change	% Change
	2024	2023		
Revenue	\$ 365.8	\$ 282.2	\$ 83.6	30 %
Operating expenses:				
Cost of revenue share fee	50.5	40.8	9.7	24 %
Cost of direct salaries and benefits	80.4	67.4	13.0	19 %
Research and development	37.5	44.3	(6.8)	(15) %
Sales and marketing	22.6	20.3	2.3	11 %
General and administrative	108.3	114.2	(5.9)	(5) %
Depreciation and amortization	12.5	10.1	2.4	24 %
Operating income (loss)	54.0	(14.8)	68.8	—
Other income (expense)				
Interest income, net	18.2	13.8	4.4	N/A
Other income, net	0.9	0.9	—	N/A
Income (loss) before tax	73.1	(0.1)	73.2	—
Income tax expense	(2.4)	(0.1)	(2.3)	N/A
Net income (loss)	\$ 70.7	\$ (0.2)	\$ 70.9	—

Information about our operating results for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023 is set forth below:

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Revenue	\$ 186.7	\$ 149.9	\$ 36.9	25 %	\$ 365.8	\$ 282.2	\$ 83.6	30 %

Revenue increased by \$36.9 million, or 25%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was primarily due to an increase in the number of CLEAR Plus Members. Approximately 29% and 30%, respectively, of paying CLEAR Plus Members were on a family plan as of June 30, 2024 and 2023, respectively.

Revenue increased by \$83.6 million, or 30%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was primarily due to an increase in the number of CLEAR Plus Members. Approximately 29% and 30%, respectively, of paying CLEAR Plus Members were on a family plan as of June 30, 2024 and 2023, respectively.

Cost of revenue share fee

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Cost of revenue share fee	\$ 26.1	\$ 21.2	\$ 4.9	23 %	\$ 50.5	\$ 40.8	\$ 9.7	24 %

Cost of revenue share fee increased by \$4.9 million, or 23%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was driven primarily by an increase of \$2.4 million, or a 41% increase, in fixed airport fees and \$2.5 million, or a 16% increase, in per Member fees. COVID-related concessions reduced Cost of revenue share fee by \$0.6 million and \$0.3 million in the three months ended June 30, 2024 and 2023.

Cost of revenue share fee increased by \$9.7 million, or 24%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was driven primarily by an increase of \$4.9 million, or a 43% increase, in fixed airport fees and \$4.8 million, or a 16% increase, in per Member fees. COVID-related concessions reduced Cost of revenue share fee by \$2.0 million and \$0.9 million in the six months ended June 30, 2024 and 2023.

Cost of direct salaries and benefits

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Cost of direct salaries and benefits	\$ 40.1	\$ 34.2	\$ 5.9	17 %	\$ 80.4	\$ 67.4	\$ 13.0	19 %

Cost of direct salaries and benefits expenses increased by \$5.9 million, or 17%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was primarily due to increased employee compensation costs of \$5.5 million caused by wage increases and higher average employee count.

Cost of direct salaries and benefits expenses increased by \$13.0 million, or 19%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was primarily due to increased employee compensation costs of \$10.3 million caused by wage increases and higher average employee count.

Research and development

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Research and development	\$ 17.4	\$ 22.3	\$ (4.9)	(22) %	\$ 37.5	\$ 44.3	\$ (6.7)	(15) %

Research and development expenses decreased by \$4.9 million, or 22%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was primarily driven by a \$4.5 million decrease in employee compensation costs.

Research and development expenses decreased by \$6.7 million, or 15%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was primarily due to a \$5.5 million decrease in employee compensation costs, net of a \$0.9 million increase in severance related to the closure of our Israel office. In addition, during the six months ended June 30, 2023, we incurred a \$1.2 million non-cash impairment of certain assets that did not occur in the current period.

Sales and marketing

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Sales and marketing	\$ 11.0	\$ 10.8	\$ 0.2	2 %	\$ 22.6	\$ 20.3	\$ 2.3	11 %

Sales and marketing expenses increased by \$0.2 million, or 2%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was primarily driven by a \$2.1 million increase in higher discretionary marketing expense offset by a \$2.0 million decrease in Ambassador commission expense.

Sales and marketing expenses increased by \$2.3 million, or 11%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was driven primarily by \$3.4 million of higher discretionary marketing expense and \$1.2 million increased employee compensation costs, partially offset by a \$2.2 million decrease in Ambassador commission expense.

General and administrative

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
General and administrative	\$ 55.4	\$ 56.1	\$ (0.8)	(1) %	\$ 108.3	\$ 114.2	\$ (6.0)	(5) %

General and administrative expenses decreased by \$0.8 million, or 1%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was driven primarily by a decrease of \$3.0 million in employee compensation cost and \$1.6 million in professional service fees. The decrease was partially offset by a \$3.5 million increase in technology costs.

General and administrative expenses decreased by \$6.0 million, or 5%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was driven primarily by a decrease of \$8.5 million in employee compensation cost and \$2.4 million in professional service fees. In addition, during the six months ended June 30, 2023, we incurred a \$1.5 million lease impairment and \$1.0 million write-off of certain assets that did not occur in the current period. The decrease was partially offset by a \$6.0 million increase in technology costs and \$3.6 million higher credit card fees due to higher bookings during the six months ended June 30, 2024.

Other income (expense)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Interest income, net	\$ 8.2	\$ 7.4	\$ 0.9	12 %	\$ 18.2	\$ 13.8	\$ 4.4	32 %

Interest income, net increased by \$0.9 million, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was primarily driven by higher interest rates.

Interest income, net increased by \$4.4 million, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was primarily driven by higher interest rates.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Other income, net	\$ 0.4	\$ 0.6	\$ (0.2)	(34) %	\$ 0.9	\$ 0.9	\$ (0.1)	(6) %

Other income, net decreased by \$0.2 million, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

Other income, net decreased by \$0.1 million, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

Income tax expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Income tax expense	\$ (0.4)	\$ (0.2)	\$ (0.2)	105 %	\$ (2.4)	\$ (0.1)	\$ (2.3)	105 %

Income tax expense increased by \$0.2 million, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was primarily due to the U.S. federal and state current taxes not offset by tax attributes (e.g. net operating losses and general business tax credits).

Income tax expense increased by \$2.3 million, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was primarily due to the U.S. federal and state current taxes not offset by tax attributes (e.g. net operating losses and general business tax credits).

Liquidity and Capital Resources

Our operations have been financed primarily through equity financing and cash flow from operating activities. As of June 30, 2024, we had cash and cash equivalents of \$39.1 million and marketable securities of \$630.5 million.

Historically, our principal uses of cash and cash equivalents have included funding our operations, capital expenditures, repurchases of members' equity and more recently, business combinations and investments that enhance our strategic positioning. We may also use our cash and cash equivalents to repurchase our Class A Common Stock, pay cash dividends and distribute to members for tax payments. We plan to finance our operations, future stock repurchases, cash dividends and capital expenditures largely through cash generated from the proceeds of our IPO and operations. We believe our existing cash and cash equivalents, marketable securities, cash provided by operations and the availability of additional funds under our Credit Agreement (as defined below) will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months, including payment of dividends, potential stock repurchases, and known commitments and contingencies as discussed below. We expect that future capital expenditure will generally relate to building enhancements to the functionality of our current platform, equipment, leasehold improvements and furniture and fixtures related to office expansion and relocation, and general corporate infrastructure.

Share Repurchases

On May 13, 2022, the Company's Board authorized a share repurchase program pursuant to which the Company may purchase up to \$100 million of its Class A Common Stock. On November 8, 2023, March 21, 2024 and August 5, 2024, the Company announced that its Board authorized three \$100 million increases to its existing Class A Common Stock share repurchase program, resulting in an aggregate remaining authorization on August 5, 2024 of approximately \$100 million. Under the repurchase program, the Company may purchase shares of its Class A Common Stock on a discretionary basis from time to time through open market repurchases, privately negotiated transactions, or other means, including through Rule 10b5-1 trading plans. The timing and actual number of shares repurchased will be determined by management depending on a variety of factors, including stock price, trading volume, market conditions, and other general business considerations. The repurchase program has no expiration date and may be modified, suspended, or terminated at any time. During the six months ended June 30, 2024, the Company repurchased 7,983,612 shares for \$150.0 million. The repurchased shares were retired. As of June 30, 2024, \$75.4 million remained available under the repurchase authorization.

Dividends

On May 9, 2023, the Company announced that a special committee of its Board declared a special cash dividend in the amount of \$0.20 per share payable on May 25, 2023 to holders of record of the Class A Common Stock and Class B Common Stock as of the close of business on May 18, 2023. The Company funded the payment of the special cash dividend from its pro rata share of tax distributions made by Alclear.

On August 2, 2023, the Company announced that our Board adopted a dividend policy (the "Dividend Policy") of paying a quarterly cash dividend to holders of Class A Common Stock and Class B Common Stock. The amount of such quarterly dividends are subject to approval of the actual amount by the Board at the time of such dividend declaration. It is expected that the dividends will be funded by proportionate cash distributions by Alclear to all of its members as of the applicable record date, including holders of non-controlling interests in Alclear and the Company. The declaration of cash dividends in the future is subject to final determination each quarter by the Board based on a number of factors, including the Company's results of operations, cash flows, financial position and capital requirements, as well as general business conditions, legal, tax and regulatory restrictions and other factors the Board deems relevant at the time it determines to declare such dividends.

On February 15, 2024, the Company announced that its Board declared a quarterly dividend of \$0.09 per share, payable on March 5, 2024 to holders of record of Class A Common Stock and Class B Common Stock as of the close of

business on February 26, 2024. The Company funded the dividend from proportionate cash distributions by Alclear to all of its members as of February 26, 2024, including holders of non-controlling interests in Alclear and the Company.

On March 21, 2024, the Company announced the declaration of a special cash dividend in the amount of \$0.32 per share payable on April 8, 2024 to holders of record of the Class A Common Stock and Class B Common Stock as of the close of business on April 1, 2024. The Company funded the payment of the special cash dividend with cash held by the Company following its receipt of a pro rata cash distribution made by Alclear to all of its members, including the Company, together with cash held by the Company following its receipt of tax distributions made by Alclear. Tax distributions are required under Alclear's Operating Agreement, generally at a tax rate higher than the Company's. As a result, together with the Company's utilization of certain tax attributes, the Company has received cash from tax distributions in excess of what is required to fund its tax liabilities and obligations under its Tax Receivable Agreement.

On May 7, 2024, the Company announced that its Board declared a quarterly dividend of \$0.10 per share, payable on June 18, 2024 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on June 10, 2024. The Company funded the dividend from proportionate cash distributions by Alclear to all of its members as of June 10, 2024, including holders of non-controlling interests in Alclear and the Company.

On August 2, 2024, the Company announced that its Board declared a quarterly dividend of \$0.10 per share, payable on September 17, 2024 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on September 10, 2024 (the "Record Date"). The Company will fund the dividend from proportionate cash distributions by Alclear to all of its members as of the Record Date, including holders of non-controlling interests in Alclear and the Company.

To the extent the quarterly or special dividends exceed the Company's current and accumulated earnings and profits, a portion of such dividends may be deemed a return of capital gain to the holders of our Class A Common Stock or Class B Common Stock, as applicable.

Refer to our risks and uncertainties discussed under the heading "Forward-Looking Statements" and in Part II, Item 1A, "Risk Factors."

Credit Agreement

On March 31, 2020, we entered into a credit agreement (as amended, restated or otherwise modified, the "Credit Agreement") for a three-year \$50 million revolving credit facility that expires on March 31, 2023. Borrowings under the Credit Agreement generally bear interest between 1.5% and 2.5% per year and also include interest based on the greater of the prime rate, London Interbank Offered Rate ("LIBOR") or New York Federal Reserve Bank ("NYFRB") rate, plus an applicable margin for specific interest periods. In April 2021, the Company increased the size of the revolving credit facility to \$100 million, which matures three years from the date of the increase. The revolving credit facility includes a letter of credit sub-facility. In June 2023, the Company entered into a second amendment to the Credit Agreement to transition from LIBOR to the Secured Overnight Financing Rate ("SOFR") as our benchmark interest rate and to extend the maturity date to June 28, 2026.

We have the option to repay any borrowings under the Credit Agreement without premium or penalty prior to maturity. In addition, the Credit Agreement contains certain other covenants (none of which relate to financial condition), events of default and other customary provisions. The Credit Agreement contains customary affirmative covenants, such as financial statement reporting requirements and delivery of borrowing base certificates, as well as customary covenants that restrict our ability to, among other things, incur additional indebtedness, sell certain assets, guarantee obligations of third parties, declare dividends or make certain distributions, and undergo a merger or consolidation or certain other transactions.

As of June 30, 2024, the Company had a remaining borrowing capacity of \$68.3 million, net of standby letters of credit, and had no outstanding debt obligations. As of June 30, 2024, the Company was in compliance with all of the financial and non-financial covenants of the Credit Agreement. Refer to [Note 20](#) within the condensed consolidated financial statements for further details.

Cash Flow

The following summarizes our cash flows for the six months ended June 30, 2024 and 2023 (in millions):

	Six Months Ended June 30,		\$ Change
	2024	2023	
Net cash provided by operating activities	\$194.9	\$135.8	\$59.2
Net cash provided by (used in) investing activities	26.4	(58.0)	84.4
Net cash used in financing activities	(241.1)	(81.4)	(159.7)
Net increase in cash, cash equivalents, and restricted cash	(19.7)	(3.6)	(16.1)
Cash, cash equivalents, and restricted cash, beginning of year	68.9	68.9	—
Net exchange differences on cash, cash equivalents, and restricted cash	—	0.1	—
Cash, cash equivalents, and restricted cash, end of period	\$ 42.7	\$ 65.3	\$ (22.6)

Cash flows from operating activities

For the six months ended June 30, 2024, net cash provided by operating activities was \$194.9 million compared to net cash provided by operating activities of \$135.8 million for the six months ended June 30, 2023, an increase of \$59.2 million primarily due to year-over-year increase of net income of \$70.9 million offset by unfavorable changes in working capital of \$3.3 million and a decrease in non-cash adjustments to net income of \$8.5 million.

Cash flows from investing activities

For the six months ended June 30, 2024 net cash provided by investing activities was \$26.4 compared to net cash used in investing activities of \$58.0 for the six months ended June 30, 2023, an increase of \$84.4 million. The change was primarily due to an increase in the net sales of marketable securities of \$69.1 million, a decrease in the purchase of a strategic investment of \$5.0 million and an decrease in capital expenditures of \$10.6 million.

Cash flows from financing activities

For the six months ended June 30, 2024, net cash used in financing activities was \$241.1 million compared to net cash used in financing activities of \$81.4 million for the six months ended June 30, 2023, an increase of \$159.7 million. The change was due to increases in the amounts used to repurchase Class A Common Stock of \$104.9 million, payments of special and regular dividends of \$28.5 million, and distributions to members of \$25.8 million.

Commitments and Contingencies

We have non-cancelable operating lease arrangements for office space. As of June 30, 2024, we had future minimum payments of \$200.2 million, with \$15.0 million due within twelve months.

We have and continue to enter into agreements with airports for access to floor and office space. As of June 30, 2024, we had future minimum payments of \$70.3 million.

We have commitments for future marketing expenditures to sports stadiums of \$6.8 million as of June 30, 2024.

We are subject to certain minimum spend commitments of approximately \$0.5 million over the next year under service arrangements.

Critical Accounting Policies and Estimates

The preparation of the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. The Securities and Exchange Commission (“SEC”) has defined a company’s critical accounting policies as the ones that are most important to the portrayal of a company’s financial condition and results of operations, and which require a company to make its most difficult and subjective judgments. Based on

this definition, we have identified the critical accounting policies and judgments addressed below. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. Refer to [Note 2](#) within the condensed consolidated financial statements for further information.

Tax Receivable Agreement

The Company entered into a Tax Receivable Agreement (“TRA”) which generally provides for payment by the Company to the remaining members of Alclear, the “TRA Holders,” of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax that the Company actually realizes or is deemed to realize in certain circumstances. The Company will retain the benefit of the remaining 15% of these net cash savings. As of June 30, 2024, the Company did not record a liability from the TRA.

Recent Accounting Pronouncements

Refer to [Note 2](#) within the condensed consolidated financial statements, for recently issued accounting pronouncements and their expected impact.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

In the normal course of business, we are subject to a variety of risks which can affect our operations and profitability. We broadly define these areas of risk and interest rate risk.

Interest Rate Risk

We had cash and cash equivalents of \$39.1 million as of June 30, 2024. Cash and cash equivalents includes highly liquid securities that have a maturity of three months or less at the date of purchase. The fair value of our cash and cash equivalents would not be significantly affected by either a 10% increase or decrease in interest rates due mainly to the short-term nature of these instruments.

We manage cash and cash equivalents in various institutions at levels beyond federally insured limits per institution, and we may purchase investments not guaranteed by the FDIC. Accordingly, there is a risk that we will not recover the full principal of our investments or that their liquidity may be diminished

Debt

Interest payable on our revolving credit facility is variable. Borrowings generally will bear interest based on the greater of the prime rate, SOFR or NYFRB rate, plus an applicable margin for specific interest periods. As of June 30, 2024, we had no outstanding borrowings under the revolving credit facility.

Investments in Marketable Securities

We had marketable securities totaling \$630.5 million as of June 30, 2024. This amount was invested primarily in money market funds, commercial paper, corporate notes and bonds, and government securities. Our investments are made for capital preservation purposes and we do not enter into investments for trading or speculative purposes. We are exposed to market risk related to changes in interest rates where a decline in interest rates would reduce our interest income, net and conversely, an increase in interest rates would have an adverse impact on the fair value of our investment portfolio. The effect of a hypothetical 100 basis points increase or decrease in overall interest rate would result in unrealized loss or gain to our “available for sale” investment fair value of approximately \$3.5 million that would be recognized in accumulated other comprehensive loss within the condensed consolidated balance sheets.

Foreign Currency Transaction and Translation Risk

Fluctuations in foreign currencies impact the amount of total assets, liabilities, revenues, operating expenses and cash flows that we report for our foreign subsidiaries upon the translation of these amounts into U.S. dollars. Since the majority of our business is transacted in the U.S. dollar, foreign currency transaction and translation risk was insignificant for the three and six months ended June 30, 2024.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the quarter ended June 30, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the quarter ended June 30, 2024, our disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with the Company have been detected.

Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended June 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, the Company is subject to commercial litigation claims and various legal proceedings, as well as administrative and regulatory reviews arising in the ordinary course of business. We currently believe that the ultimate outcome of such lawsuits, proceedings and reviews will not, individually or in the aggregate, have a material adverse effect on our condensed consolidated financial statements.

Item 1A. Risk Factors

We have disclosed under the heading “Risk Factors” in our Annual Report on Form 10-K the risk factors which materially affect our business, financial condition or results of operations. There have been no material changes from the risk factors previously disclosed. You should carefully consider the risk factors set forth in the Annual Report on Form 10-K and the other information set forth elsewhere in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the six months ended June 30, 2024, certain non-controlling interest holders exchanged their Alclear Units and corresponding shares of Class C Common Stock or Class D Common Stock for shares of the Company’s Class A Common Stock or Class B Common Stock, as applicable. As a result, the Company issued 7,942,661 shares of Class A Common Stock.

Use of IPO Proceeds

On July 2, 2021, we closed our IPO, in which the Company issued 15,180,000 shares of Class A Common Stock (which included 1,980,000 shares of Class A Common Stock as a result of the exercise of the underwriters’ over-allotment option, which was exercised on June 30, 2021). All shares in the IPO were registered under the Securities Act pursuant to a Registration Statement on Form S-1 (File No. 333-256851), which was declared effective by the SEC on June 29, 2021 (the “Registration Statement”).

Goldman Sachs & Co. was the representative of the underwriters, which comprised Goldman Sachs & Co., J.P. Morgan Securities LLC, Allen & Company LLC, Wells Fargo Securities, LLC, LionTree Advisors LLC, Stifel, Nicolaus & Company, Incorporated, Telsey Advisory Group LLC, Centerview Partners LLC, Loop Capital Markets LLC, and Roberts & Ryan Investments, Inc. The lead book-runners of our IPO were Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Allen & Company LLC and Wells Fargo Securities, LLC.

The initial offering price to the public in the IPO was \$31.00 per share. We received \$29.295 per share from the underwriters after deducting underwriting discounts and commissions of \$1.705 per share. We incurred underwriting discounts and commissions of approximately \$25.9 million, including the effect of the exercise of the over-allotment option. Thus, our net offering proceeds, after deducting underwriting discounts and commissions, net of the rebate on the over-allotment option, were approximately \$445.9 million, which the Company contributed to Alclear in exchange for 15,180,000 Alclear Units. The Company has caused Alclear to use such contributed amount to pay offering expenses of approximately \$9.0 million, and for general corporate purposes. There has been no material change in the planned use of the IPO net proceeds from what is described in the Company’s Registration Statement. No payments were made to our directors or officers or their associates, holders of 10% or more of any class of our equity securities or any affiliates.

Issuer Purchases of Equity Securities

Below is a summary of the repurchases during the three months ended June 30, 2024 (in millions, except share and per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan or Program
April 1, 2024 - April 30, 2024	1,750,000	\$ 19.38	1,750,000	\$ 107
May 1, 2024 - May 31, 2024	1,178,668	\$ 16.85	1,178,668	\$ 87
June 1, 2024 - June 30, 2024	638,185	\$ 17.75	638,185	\$ 75
Total	3,566,853	\$ 18.25	3,566,853	

All purchases of Class A Common Stock reported in the above table were purchased by the Company pursuant to the Company's share repurchase program, authorized by the Board on May 13, 2022 and publicly announced by the Company on May 16, 2022, and increased on November 8, 2023, March 21, 2024, and August 5, 2024. The share repurchase program provides for the purchase by the Company of up to \$400 million of the Company's Class A Common Stock on a discretionary basis from time to time through open market repurchases, privately negotiated transactions, or other means, including through Rule 10b5-1 trading plans. As of June 30, 2024, \$75.4 million remained available under the repurchase authorization. The timing and actual number of shares repurchased will be determined by management depending on a variety of factors, including stock price, trading volume, market conditions, and other general business considerations. The repurchase program has no expiration date and may be modified, suspended, or terminated at any time. The above table excludes shares repurchased to settle employee tax withholding related to the vesting of stock awards.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not applicable

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2024, none of the Company's directors or Section 16 officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Second Amended and Restated By-Laws

On August 1, 2024 the Board amended and restated the Company's First Amended and Restated By-Laws (as amended, the "Second A&R By-Laws") to: (i) update the procedural and information requirements for director nominations and other proposals submitted by stockholders under the Company's "advance notice" provisions; (ii) require that any stockholder directly or indirectly soliciting proxies from other stockholders use a proxy card color other than white; (iii) update provisions related to stockholder meeting adjournment procedures and lists of stockholders entitled to vote at stockholder meetings, in each case, to reflect recent amendments to the General Corporation Law of the State of Delaware; and (iv) make other modernizing and clarifying changes.

The foregoing description of the Second A&R By-Laws does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text thereof. A copy of the Second A&R By-Laws is included as Exhibit 3.1 to this Quarterly Report on Form 10-Q and is incorporated by reference herein.

Item 6. Exhibits

The documents listed in the Index to Exhibits of this quarterly report on Form 10-Q are incorporated by reference or are filed with this quarterly report on Form 10-Q, in each case as indicated therein.

Exhibit Number	Description
	3.1 Second Amended and Restated By-laws of Clear Secure, Inc., dated August 1, 2024.
	3.2 Third Amended and Restated Certificate of Incorporation of Clear Secure, Inc., dated June 13, 2024 (incorporated by reference to the Company's Current Report on Form 8-K, filed on June 14, 2024).
	31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
	31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
	32.1 Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
	32.2 Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
	104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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 thereunto duly authorized.

CLEAR SECURE, INC.

Date: August 6, 2024 By: /s/ Caryn Seidman Becker
Caryn Seidman Becker
Chairman and Chief Executive Officer

Date: August 6, 2024 By: /s/ Kenneth Cornick
Kenneth Cornick
President and Chief Financial Officer

SECOND AMENDED AND RESTATED

BY-LAWS

OF

CLEAR SECURE, INC.

(Adopted as of August 1, 2024)

ARTICLE I

OFFICES

Section 1 **Registered Office.** The registered office of Clear Secure, Inc. (the “Corporation”) shall be the office of the Corporation’s registered agent in the State of Delaware or such other office of the Corporation in the State of Delaware as established from time to time by the board of directors of the Corporation (the “Board”).

Section 2 **Other Offices.** The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board may from time to time determine or the business of the Corporation may require.

ARTICLE II

STOCKHOLDERS

Section 1 **Place of Meeting.** Meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, or by means of remote communication, as may be designated by the Board.

Section 2 **Annual Meeting.**

(a) A meeting of stockholders for the election of directors and such other business as may be properly brought before the meeting in accordance with these Second Amended and Restated By-Laws (these “By-Laws”) shall be held annually at such date and time as may be designated by the Board from time to time.

(b) At an annual meeting of the stockholders, only business (other than business relating to the nomination or election of directors which is governed by ARTICLE III, Section 3) that has been properly brought before the stockholder meeting in accordance with the procedures set forth in this ARTICLE II, Section 2 shall be conducted. To be properly brought before a meeting of stockholders, such business must be brought before the meeting (i) by or at the direction of the Board or any committee thereof or (ii) by a stockholder who (A) was a stockholder of record of the Corporation when the notice required by this ARTICLE II, Section 2 is delivered to the Secretary of the Corporation and at the time of the meeting, (B) is entitled to vote at the meeting and (c) complies with the notice and other provisions of this ARTICLE II, Section 2. Subject to ARTICLE II, Section 2(l), and except with respect to nominations or elections of directors, which are governed by ARTICLE III, Section 3, ARTICLE II, Section 2(b)(ii) is the exclusive means by which a stockholder may bring business before a meeting of stockholders. Any business brought before a meeting in accordance with ARTICLE II, Section 2 is referred to as “Stockholder Business”.

(c) Subject to ARTICLE II, Section 2(l), at any annual meeting of stockholders, all proposals of Stockholder Business must be made by timely written notice given by or on behalf of a stockholder of record of the Corporation (the “Notice of Business”) and must otherwise be a proper matter for stockholder action. To be timely, the Notice of Business must be delivered personally or mailed to, and received at the executive office of the Corporation, addressed to the Secretary of the Corporation, by no earlier than 120 days and no later than 90 days before the first anniversary of the date of the prior year’s annual meeting of stockholders; provided, however, that if (i) the annual meeting of stockholders is advanced by more than 30 days, or delayed by more than 60 days,

from the first anniversary of the prior year's annual meeting of stockholders, (ii) no annual meeting was held during the prior year or (iii) in the case of the Corporation's first annual meeting of stockholders as a corporation with a class of equity security registered under the Securities Exchange Act of 1934 (the "Exchange Act"), the notice by the stockholder to be timely must be received (A) no earlier than 120 days before such annual meeting and (B) no later than the later of 90 days before such annual meeting and the tenth day after the day on which the notice of such annual meeting was first made by mail or Public Disclosure. In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of a stockholder meeting commence a new time period (or extend any time period) for the giving of the Notice of Business.

(d) The Notice of Business must set forth:

Corporation's books;

(i) the name and record address of each stockholder proposing Stockholder Business (the "Proponent"), as they appear on the

(ii) the name and address of any Stockholder Associated Person;

(iii) as to each Proponent and any Stockholder Associated Person, (A) the class or series and number of shares of stock directly or indirectly held of record and beneficially owned by the Proponent or Stockholder Associated Person, (B) the date such shares of stock were acquired, (C) a description of any agreement, arrangement or understanding, direct or indirect, with respect to such Stockholder Business between or among the Proponent, any Stockholder Associated Person or any others (including their names) acting in concert with any of the foregoing, (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions and borrowed or loaned shares) that has been entered into, directly or indirectly, by the Proponent or any Stockholder Associated Person and that remains in effect, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the Proponent or any Stockholder Associated Person with respect to shares of stock of the Corporation (a "Derivative") and (E) a description in reasonable detail of any proxy (including revocable proxies), contract, arrangement, understanding or other relationship pursuant to which the Proponent or any Stockholder Associated Person has a right to vote any shares of stock of the Corporation. The information specified in ARTICLE II, Section 2(d)(i) to (iii) is referred to herein as "Stockholder Information";

(iv) a representation that each Proponent is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such Stockholder Business;

(v) a brief description of the Stockholder Business desired to be brought before the annual meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the By-Laws, the language of the proposed amendment) and the reasons for conducting such Stockholder Business at the meeting;

(vi) any material interest of each Proponent and any Stockholder Associated Person in such Stockholder Business;

(vii) a representation as to whether the Proponent intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt such Stockholder Business or (B) otherwise to solicit proxies from stockholders in support of such Stockholder Business;

(viii) all other information that would be required to be filed with the U.S. Securities and Exchange Commission ("SEC") if the Proponents or Stockholder Associated Persons were participants in a solicitation subject to Section 14 of the Exchange Act; and

(ix) a representation that the Proponents shall provide any other information reasonably requested by the Corporation.

(e) The Proponents shall also provide all affirmations, updates and supplements required by this ARTICLE II, Section 2 and any other information reasonably requested from time to time by the Corporation within five business days after each such request.

(f) The Proponent shall (i) notify the Corporation promptly (and in any event two business days prior to the commencement of the applicable meeting of stockholders) if any of the information provided to the Corporation pursuant to this ARTICLE II, Section 2 ceases for any reason to be accurate or complete in any material respects and (ii) affirm as true and correct all such information provided to the Corporation as of (A) the record date for the meeting, (B) the date that is ten calendar days before the first anniversary date of the Corporation's proxy statement released to stockholders in connection with the previous year's annual meeting and (C) the date that is ten business days before the meeting and, if applicable, before reconvening any adjournment or postponement thereof, by no later than five business days after the applicable date specified in clauses (ii)(A) – (C). All such affirmations, updates and/or supplements must be delivered personally or mailed to, and received at the executive office of the Corporation, addressed to the Secretary of the Corporation by the deadlines specified above.

(g) Notwithstanding the provisions of this ARTICLE II, Section 2, the Proponents must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this ARTICLE II, Section 2.

(h) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting, that business was not properly brought before the meeting in accordance with the procedures set forth in this ARTICLE II, Section 2. Any such business not properly brought before the meeting shall not be transacted.

(i) If the Proponent (or a qualified representative of the Proponent) does not appear at the meeting of stockholders to present the Stockholder Business such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this ARTICLE II, Section 2, to be considered a qualified representative of the Proponent, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(j) "Public Disclosure" of any date or other information means disclosure thereof by a press release reported by the Dow Jones News Services, Associated Press or comparable U.S. national news service or in a document publicly filed by the Corporation with the SEC pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(k) "Stockholder Associated Person" means with respect to any stockholder, (i) any other beneficial owner of stock of the Corporation that is owned by such stockholder and (ii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the stockholder or such beneficial owner.

(l) "Control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of a corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing Article X of the Certificate of Incorporation of the Corporation, as amended from time to time (the "Certificate of Incorporation"), as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(m) The notice requirements of this ARTICLE II, Section 2 shall be deemed satisfied with respect to stockholder proposals that have been properly brought under Rule 14a-8 of the Exchange Act and that are included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. Further, nothing in this ARTICLE II, Section 2 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

Section 3 **Special Meetings.** Special meetings of the stockholders may be called only by the Chair of the Board, a majority of members of the Board then in office or the Chief Executive Officer. Business transacted at any special meeting of the stockholders shall be limited to the purposes stated in the notice.

Section 4 **Record Date.**

(a) For the purpose of determining the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date (the “Notice Record Date”), which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than 60 or less than ten days before the date of such meeting. The Notice Record Date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such Notice Record Date, that a later date on or before the date of the meeting shall be the date for making such determination (the “Voting Record Date”). Subject to ARTICLE II, Section 12, for the purposes of determining the stockholders entitled to express consent to corporate action in writing without a meeting, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than ten days after the date on which the record date was fixed by the Board. For the purposes of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, exercise any rights in respect of any change, conversion or exchange of stock or take any other lawful action, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than 60 days prior to such action.

(b) Subject to ARTICLE II, Section 12, if no such record date is fixed by the Board:

(i) The record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

(ii) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting (when permitted by, and unless otherwise provided in, the Certificate of Incorporation), when no prior action by the Board is required by applicable law, shall be the first day on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law; and when prior action by the Board is required by applicable law, the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board takes such prior action; and

(iii) The record date for the purposes of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, exercise any rights in respect of any change, conversion or exchange of stock or take any other lawful action shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(c) When a determination of stockholders of record entitled to notice of or to vote at any meeting of stockholders has been made as provided in this ARTICLE II, Section 4, such determination shall apply to any adjournment thereof, unless the Board fixes a new Voting Record Date for the adjourned meeting, in which case the Board shall also fix such Voting Record Date or a date earlier than such date as the new Notice Record Date for the adjourned meeting.

Section 5 **Notice of Meetings of Stockholders.** Whenever under the provisions of applicable law, the Certificate of Incorporation or these By-laws, stockholders are required or permitted to take any action at a meeting, a notice of the meeting in the form of a writing or electronic transmission shall be given stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the Notice Record Date and the Voting Record Date, if such date is different from the Notice Record Date, and, in the case of a special meeting, the purposes for which the meeting is called. Unless otherwise provided by these By-laws or applicable law, notice of any meeting shall be given, not less than ten nor more than 60 days before the date of the meeting, to each stockholder entitled to vote at such meeting as of the Notice Record Date. If mailed, such notice shall be deemed to be given when deposited in the U.S. mail, with postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation. If given by electronic mail, such notice shall be deemed to be given when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited pursuant to the terms of the Delaware General Corporation Law (as amended from time to time, the "DGCL"). A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation. An affidavit of the Secretary or the transfer agent of the Corporation that the notice required by this ARTICLE II, Section 5 has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (iii) set forth in the notice of meeting given in accordance with this ARTICLE II, Section 5. Any business that might have been transacted at the meeting as originally called may be transacted at the adjourned meeting. If, however, the adjournment is for more than 30 days, or if after the adjournment a new Notice Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new Voting Record Date is fixed for the adjourned meeting, the Board shall fix a new Notice Record Date in accordance with ARTICLE II, Section 4(c) hereof and shall give notice of such adjourned meeting to each stockholder entitled to vote at such meeting as of the Notice Record Date.

Section 6 **Waivers of Notice.** Whenever the giving of any notice to stockholders is required by applicable law, the Certificate of Incorporation or these By-laws, a written waiver, signed by the stockholder entitled to notice, or a waiver by electronic transmission by such stockholder, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a stockholder at a meeting shall constitute a waiver of notice of such meeting except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purposes of, any regular or special meeting of the stockholders need be specified in any waiver of notice.

Section 7 **List of Stockholders.** The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete, alphabetical list of the stockholders entitled to vote at the meeting, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list may be examined by any stockholder, at the stockholder's expense, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting, during ordinary business hours at the principal place of business of the Corporation or on a reasonably accessible electronic network as provided by applicable law. Except as provided by applicable law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders or to vote in person or by proxy at any meeting of stockholders.

Section 8 **Quorum of Stockholders; Adjournment.** Except as otherwise provided by these By-laws, at each meeting of stockholders, the presence in person or represented by proxy of the holders of a majority of the voting power of all outstanding shares of stock entitled to vote at the meeting of stockholders shall constitute a quorum for the transaction of any business at such meeting. In the absence of a quorum, the person presiding over the meeting in accordance with ARTICLE II, Section 11 or, in the absence of such person, the holders of a majority

of the voting power of the shares of stock present in person or represented by proxy at any meeting of stockholders, including an adjourned meeting, may adjourn such meeting to another time or place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 9 **Voting; Proxies**. At any meeting of stockholders, all matters other than the election of directors, except as otherwise provided by the Certificate of Incorporation, these By-laws or any applicable law, shall be decided by the affirmative vote of a majority of the voting power of shares of stock present in person or represented by proxy and entitled to vote thereon. At all meetings of stockholders at which directors are to be elected and a quorum is present, a plurality of the votes cast by stockholders entitled to vote for the election of such directors shall be sufficient to elect such directors. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or by delivering a new duly authorized proxy bearing a later date. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use for solicitation by the Corporation.

Section 10 **Voting Procedures and Inspectors at Meetings of Stockholders**. The Board, in advance of any meeting of stockholders, shall appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

Section 11 **Conduct of Meetings; Adjournment**. The Board may adopt such rules and procedures for the conduct of stockholder meetings as it deems appropriate. At each meeting of stockholders, any officer of the Corporation designated by the Board or, in the absence of such person, the Chief Executive Officer or, in the absence of the Chief Executive Officer, the Chair shall preside over the meeting. Except to the extent inconsistent with the rules and procedures as adopted by the Board, the person presiding over the meeting of stockholders shall have the right and authority to convene, adjourn and reconvene the meeting from time to time, to prescribe such additional rules and procedures and to do all such acts as, in the judgment of such person, are appropriate for the proper conduct of the meeting. Such rules and procedures, whether adopted by the Board or prescribed by the person presiding over the meeting, may include (a) the establishment of an agenda or order of business for the meeting, (b) rules and procedures for maintaining order at the meeting and the safety of those present, (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the person presiding over the meeting shall determine, (d) restrictions on entry to the meeting after the time fixed for the commencement thereof and (e) limitations on the time allotted to

questions or comments by participants. Subject to any prior, contrary determination by the Board, the person presiding over any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, may determine and declare to the meeting that a matter or business was not properly brought before the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The Secretary shall act as secretary of the meeting. If none of the officers above designated to act as the person presiding over the meeting or as secretary of the meeting shall be present, a person presiding over the meeting or a secretary of the meeting, as the case may be, shall be designated by the Board and, if the Board has not so acted, in the case of the designation of a person to act as secretary of the meeting, designated by the person presiding over the meeting.

Section 12 **Remote Meetings.** If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(a) participate in a meeting of stockholders; and

(b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication; provided, that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III

DIRECTORS

Section 1 **Power; Number and Tenure.** The business and affairs of the Corporation shall be managed by the Board, the number thereof to be determined in accordance with the Certificate of Incorporation. The Board may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these By-Laws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

Section 2 **Election; Resignation.** Directors shall be elected for such terms and in accordance with the Certificate of Incorporation and applicable law. Each director shall hold office until such director's successor is duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal. Any director may resign at any time by giving notice in writing or by electronic transmission thereof to the Corporation. The resignation of any director shall be effective when the resignation is delivered, unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3 **Nominations of Directors.**

(a) Subject to ARTICLE III, Section 3(k), only persons who are nominated in accordance with the procedures set forth in this ARTICLE III, Section 3 are eligible for election as directors.

(b) Director nominations may only be made at a meeting properly called for the election of directors and only (i) by or at the direction of the Board or any committee thereof or (ii) by a stockholder who (A) was a stockholder of record of the Corporation when the notice required by this ARTICLE III, Section 3 is delivered to the Secretary of the Corporation and at the time of the meeting, (B) is entitled to vote for the election of directors at the meeting and (C) complies with the notice and other provisions of this ARTICLE III, Section 3.

Subject to ARTICLE III, Section 3(k), ARTICLE III, Section 3(b)(ii) is the exclusive means by which a stockholder may nominate a person for election to the Board. Persons nominated in accordance with ARTICLE III, Section 3(b)(ii) are referred to as “Stockholder Nominees”. A stockholder nominating a director for election to the Board is referred to as the “Nominating Stockholder”.

(c) Subject to ARTICLE III, Section 3(k), all nominations of Stockholder Nominees must be made by timely written notice given by or on behalf of a stockholder of record of the Corporation (the “Notice of Nomination”). To be timely, the Notice of Nomination must be delivered personally or mailed to and received at the executive office of the Corporation, addressed to the attention of the Secretary of the Corporation, by the following dates:

(i) in the case of the nomination of a Stockholder Nominee for election to the Board at an annual meeting of stockholders, no earlier than 120 days and no later than 90 days before the first anniversary of the date of the prior year’s annual meeting of stockholders; provided, however, that if (A) the annual meeting of stockholders is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the prior year’s annual meeting of stockholders, (B) no annual meeting was held during the prior year or (C) in the case of the Corporation’s first annual meeting of stockholders as a corporation with a class of equity security registered under the Exchange Act, the notice by the stockholder to be timely must be received (1) no earlier than 120 days before such annual meeting and (2) no later than the later of 90 days before such annual meeting and the tenth day after the day on which the notice of such annual meeting was first made by mail or Public Disclosure, and

(ii) in the case of the nomination of a Stockholder Nominee for election to the Board at a special meeting of stockholders, no earlier than 120 days before and no later than the later of 90 days before such special meeting and the tenth day after the day on which the notice of such special meeting was first made by mail or Public Disclosure.

(d) Notwithstanding anything to the contrary, if the number of directors to be elected to the Board at a meeting of stockholders is increased and there is no Public Disclosure by the Corporation naming the nominees for the additional directorships at least 100 days before the first anniversary of the preceding year’s annual meeting, a Notice of Nomination shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered personally and received at the executive office of the Corporation, addressed to the attention of the Secretary of the Corporation, no later than the close of business on the tenth day following the day on which such Public Disclosure is first made by the Corporation.

(e) In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of an annual or special meeting commence a new time period (or extend any time period) for the giving of the Notice of Nomination.

(f) The Notice of Nomination shall set forth:

(i) the Stockholder Information with respect to each Nominating Stockholder and Stockholder Associated Person (except that references to the “Proponent” in ARTICLE II, Section 2(d)(i) to (iii) shall instead refer to the “Nominating Stockholder,” and the disclosure required by ARTICLE II, Section 2(d)(iii)(C) may be omitted, for purposes of this ARTICLE III, Section 3(f)(i));

(ii) a representation that each Nominating Stockholder is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such nomination;

(iii) all information regarding each Stockholder Nominee and Stockholder Associated Person that would be required to be disclosed in a solicitation of proxies subject to Section 14 of the Exchange Act, the written consent of each Stockholder Nominee to being named in a proxy statement as a nominee and to serve if elected and a completed signed questionnaire, representation and agreement required by ARTICLE III, Section 4;

(iv) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among a Nominating Stockholder, Stockholder Associated Person or their respective associates, or others acting in concert therewith, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Nominating Stockholder, Stockholder Associated Person or any person acting in concert therewith, were the “registrant” for purposes of such rule and the Stockholder Nominee were a director or executive of such registrant;

(v) a representation as to whether the Nominating Stockholders intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required to approve the nomination or (B) otherwise to solicit proxies from stockholders in support of such nomination;

(vi) all other information that would be required to be filed with the SEC if the Nominating Stockholders and Stockholder Associated Person were participants in a solicitation subject to Section 14 of the Exchange Act; and

(vii) a representation that the Nominating Stockholders shall provide all affirmations, updates and supplements required by this ARTICLE III, Section 3 and any other information reasonably requested by the Corporation.

(g) The Nominating Stockholders shall also provide any other information reasonably requested from time to time by the Corporation within five business days after each such request.

(h) The Nominating Stockholder shall (i) notify the Corporation promptly (and in any event two business days prior to the commencement of the applicable meeting of stockholders) if any of the information provided to the Corporation pursuant to this ARTICLE III, Section 3 ceases for any reason to be accurate or complete in any material respects and (ii) affirm as true and correct all such information provided to the Corporation as of (A) the record date for the meeting, (B) the date that is ten calendar days before the first anniversary date of the Corporation’s proxy statement released to stockholders in connection with the previous year’s annual meeting (in the case of an annual meeting) or 50 days before the date of the meeting (in the case of a special meeting) and (C) the date that is ten business days before the date of the meeting or any adjournment or postponement thereof, by no later than five business days after the applicable date specified in clauses (ii)(A) – (C). All such affirmations, updates and/or supplements must be delivered personally or mailed to, and received at the executive office of the Corporation, addressed to the Secretary of the Corporation by the deadlines specified above.

(i) Notwithstanding the provisions of this ARTICLE III, Section 3, the Nominating Stockholder and Stockholder Nominees must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this ARTICLE III, Section 3.

(j) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting, that the nomination was not made in accordance with the procedures set forth in this ARTICLE III, Section 3. Any such defective nomination shall be disregarded.

(k) If the Nominating Stockholder (or a qualified representative of the Nominating Stockholder) does not appear at the applicable stockholder meeting to nominate the Stockholder Nominees, such nomination shall be disregarded and such Stockholder Nominees shall not be qualified for election as Directors, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this ARTICLE III, Section 3, to be considered a qualified representative of the Nominating Stockholder, a person must be a duly authorized officer, manager or partner of such Nominating Stockholder or must be authorized by a writing executed by such Nominating Stockholder or an electronic transmission delivered by such Nominating Stockholder to act for such Nominating Stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(l) Nothing in this ARTICLE III, Section 3 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

Section 4 **Nominee Qualifications.** To be eligible to be a nominee for election or reelection as a director, the nominee must deliver (in accordance with the time periods prescribed for delivery of a Notice of Nomination under ARTICLE III, Section 3 (in the case of a Stockholder Nominee) or in accordance with any time periods required from time to time by any policy of the Board or Corporation generally applicable to all Directors (in the case of a person nominated by or at the direction of the Board or any committee thereof)) to the Secretary of the Corporation at the executive office of the Corporation (a) a completed and signed written questionnaire (in the form provided by the Secretary upon written request) with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made, (b) information as necessary to permit the Board to determine if each such nominee (i) is independent under applicable listing standards, any applicable rules of the SEC and any publicly disclosed standards used by the Board in determining and disclosing the independence of the directors, (ii) is not or has not been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended, or (iii) is not a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in a criminal proceeding within the past ten years, (c) a written representation and agreement (in the form provided by the Secretary of the Corporation upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person will act or vote as a Director on any issue or question (a "**Voting Commitment**") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply with such person's fiduciary duties as a Director under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, (iii) will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading and other policies and guidelines of the Corporation that are applicable to directors and (iv) currently intends to serve as a director for the full term for which he or she is standing for election and (d) such person's written consent to being named as a nominee for election as a Director and to serving as a Director if elected.

Section 5 **Vacancies.** Any vacancy occurring on the Board shall be filled in the manner prescribed in the Certificate of Incorporation.

Section 6 **Regular Meetings.** Regular meetings of the Board shall be held at such dates, times and places as may be designated by the Chair of the Board or a majority of the members of the Board then in office. Notice of regular meetings need not be given if the date, times and places thereof are fixed by resolution of the Board.

Section 7 **Special Meetings.** Special meetings of the Board may be called by or at the request of the Chair of the Board, the Chief Executive Officer or a majority of the members of the Board then in office. The person or persons calling a special meeting of the Board may fix a place and time within or without the State of Delaware for holding such meeting.

Section 8 **Notice.** Notice of any regular meeting or special meeting shall be given to each director, either orally, by facsimile or other means of electronic communication or by hand delivery, addressed to each director at his or her address as it appears on the records of the Corporation. If notice be by facsimile or other means of electronic communication, such notice shall be deemed to be adequately delivered when the notice is transmitted at least 24 hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least 24 hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting.

Section 9 **Waiver of Notice.** Whenever the giving of any notice to directors is required by applicable law, the Certificate of Incorporation or these By-laws, a written waiver signed by the director, or a waiver by

electronic transmission by such director, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except when the director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board or Directors or committee meeting need be specified in any waiver of notice.

Section 10 **Organization**. At each meeting of the Board, the Chair or, in his or her absence, another Director selected by the Board shall preside. The Secretary shall act as secretary at each meeting of the Board. If the Secretary is absent from any meeting of the Board, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

Section 11 **Quorum**. At all meetings of the Board, a majority of the total number of directors then in office shall constitute a quorum for the transaction of business; provided, however, that in no case shall a quorum consist of less than one-third of the total number of directors that the Corporation would have if there were no vacancies on the Board or unfilled newly-created directorships.

Section 12 **Adjourned Meetings**. A majority of the directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. Notice of any adjourned meeting of the Board shall be given to each director whether or not present at the time of the adjournment; provided, however, that notice of the adjourned meeting need not be given if (a) the adjournment is for 24 hours or less and (b) the time, place, if any, and means of remote communication, if any, are announced at the meeting at which the adjournment is taken. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

Section 13 **Action by Majority Vote**. Except as otherwise expressly required by these By-laws or the Certificate of Incorporation, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 14 **Action Without Meeting**. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing or by electronic communication and such written consent or consents and copies of such communication or communications are filed with the minutes of proceedings of the Board or committee.

Section 15 **Action by Conference Telephone**. Members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and such participation in a meeting shall constitute presence in person at such meeting.

Section 16 **Committees**. The Board may from time to time designate one or more committees of the Board in accordance with Section 141(c) of the DGCL. Unless the Board provides otherwise, at all meetings of such committee, a majority of the then authorized number of members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board conducts its business pursuant to this ARTICLE III.

Section 17 **Chair of the Board**. The Corporation may have, at the discretion of the Board, a Chair of the Board who shall be elected by the Board from their own numbers and shall preside as Chair at all meetings of the stockholders and of the Board. The Chair shall have such other powers and duties as provided in these By-laws and as the Board may from time to time prescribe.

ARTICLE IV

OFFICERS

Section 1 **Positions; Election.** The elected officers of the Corporation shall be chosen by the Board and may include a Chief Executive Officer, a President, a Chief Financial Officer, and a Secretary, all of whom shall be elected by the Board. All officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this ARTICLE IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board or by any committee thereof. In addition, the Board or any committee thereof may from time to time elect, or the Chief Executive Officer may appoint, such other officers (including one or more Vice Presidents, Assistant Secretaries, Treasurers and Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Any number of offices may be held by the same person. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these By-Laws or as may be prescribed by the Board or such committee or by the Chief Executive Officer, as the case may be.

Section 2 **Term of Office; Resignation; Removal.** Each officer of the Corporation shall hold office until such officer's successor is elected by the Board or until such officer's earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the time of receipt of such notice or at such later time, or at such later time determined upon the happening of an event, as is therein specified. The resignation of an officer shall be without prejudice to the contract rights of the Corporation, if any. Any officer may be removed at any time with or without cause by the Board. Any vacancy occurring in any office of the Corporation may be filled by the Board. The election or appointment of an officer shall not of itself create contract rights.

Section 3 **Chief Executive Officer.** The Chief Executive Officer shall have general supervision over the business of the Corporation and other duties incident to the office of Chief Executive Officer, and any other duties as may from time to time be assigned to the Chief Executive Officer by the Board and subject to the control of the Board in each case.

Section 4 **President.** The President shall act in a general executive capacity and shall assist the Chief Executive Officer in the administration and operation of the Corporation's business and general supervision of its policies and affairs and shall, in general, perform all duties incident to the office of President of a corporation and such other duties as may from time to time be assigned to the President by the Board or the Chief Executive Officer.

Section 5 **Chief Financial Officer.** The Chief Financial Officer shall act in an executive financial capacity. The Chief Financial Officer shall assist the Chief Executive Officer and the President in the general supervision of the Corporation's financial policies and affairs. The Chief Financial Officer shall, in general, perform all duties incident to the office of Chief Financial Officer of a corporation and such other duties as may from time to time be assigned to the Chief Financial Officer by the Board or the Chief Executive Officer.

Section 6 **Secretary.** The Secretary shall record all the proceedings of the meetings of the Board and of the stockholders in a book to be kept for that purpose and perform like duties for committees of the Board, when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board and all meetings of the stockholders and, in general, perform all duties incident to the office of secretary of a corporation and such other duties as may from time to time be assigned to the Secretary by the Board or the Chief Executive Officer.

Section 7 **Actions with Respect to Securities of Other Entities.** All stock and other securities of other entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted (including by written consent), and all proxies with respect thereto shall be executed, by the person or persons authorized to do so by resolution of the Board or, in the absence of such authorization, by the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Secretary or the Treasurer. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

ARTICLE V
CERTIFICATES OF STOCK

Section 1 **Certificates Representing Shares.** The shares of stock of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. If shares are represented by certificates (if any) such certificates shall be in the form approved by the Board. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Corporation by any two authorized officers of the Corporation. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

Section 2 **Transfer and Registry Agents.** The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

Section 3 **Lost, Stolen or Destroyed Certificates.** The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate or his legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE VI
GENERAL PROVISIONS

Section 1 **Fiscal Year.** The fiscal year of the Corporation shall be established by the Board.

Section 2 **Seal.** The Corporation may have a corporate seal, which shall be in such form as may be approved from time to time by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 3 **Form of Records.** Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases); provided that the records so kept can be converted into clearly legible paper form within a reasonable time, and, with respect to the stock ledger, that the records so kept (i) can be used to prepare the list of stockholders specified in Sections 219 and 220 of the DGCL, (ii) record the information specified in Sections 156, 159, 217(a) and 218 of the DGCL and (iii) record transfers of stock as governed by Article 8 of the Uniform Commercial Code as enacted in the State of Delaware, 6 Del. C. §§8-101 et seq. The Corporation shall convert any records so kept into clearly legible paper form upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.

Section 4 **Conflict with Applicable Law or Certificate of Incorporation.** These By-laws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these By-laws may conflict with any applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

ARTICLE VII
AMENDMENTS

Any alteration, amendment or repeal of these By-Laws may be made in the manner provided by the Certificate of Incorporation and applicable law.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Caryn Seidman Becker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clear Secure, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

By:

/s/ Caryn Seidman Becker

Caryn Seidman Becker
Chairman and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kenneth Cornick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clear Secure, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

By:

/s/ Kenneth Cornick

Kenneth Cornick
President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Caryn Seidman Becker, Chief Executive Officer of Clear Secure, Inc. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Clear Secure, Inc.

Date: August 6, 2024 By: /s/ Caryn Seidman Becker
Caryn Seidman Becker
Chairman and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kenneth Cornick, President and Chief Financial Officer of Clear Secure, Inc. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Clear Secure, Inc.

Date: August 6, 2024

By: _____

/s/ Kenneth Cornick

Kenneth Cornick
President and Chief Financial Officer
(Principal Financial Officer)