

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 March 31, 2025

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 May 5, 2025:

| | |
|---|------------|
| Class A Common Stock par value \$0.00001 per share (the "Class A Common Stock") | 92,266,338 |
| Class B Common Stock par value \$0.00001 per share (the "Class B Common Stock") | 677,234 |
| Class C Common Stock par value \$0.00001 per share (the "Class C Common Stock") | 15,196,670 |
| Class D Common Stock par value \$0.00001 per share (the "Class D Common Stock") | 24,896,690 |

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

| | March 31, 2025 | December 31, 2024 |
|---|---------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 87,563 | \$ 66,892 |
| Marketable securities | 442,318 | 542,605 |
| Accounts receivable | 512 | 511 |
| Prepaid revenue share fee | 25,081 | 24,652 |
| Prepaid expenses and other current assets | 26,407 | 27,558 |
| Total current assets | 581,881 | 662,218 |
| Property and equipment, net | 55,449 | 56,869 |
| Right of use asset, net | 107,271 | 108,885 |
| Intangible assets, net | 14,200 | 15,300 |
| Goodwill | 62,757 | 62,757 |
| Restricted cash | 3,120 | 3,456 |
| Other assets | 286,656 | 285,447 |
| Total assets | \$ 1,111,334 | \$ 1,194,932 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 6,053 | \$ 18,020 |
| Accrued liabilities | 246,833 | 185,281 |
| Deferred revenue | 435,497 | 439,753 |
| Total current liabilities | 688,383 | 643,054 |
| Other long term liabilities | 296,963 | 313,938 |
| Total liabilities | 985,346 | 956,992 |
| Commitments and contingencies (Note 16) | | |
| Class A Common Stock, \$0.00001 par value - 1,000,000,000 shares authorized; 92,936,385 shares issued and outstanding as of March 31, 2025 and 96,794,826 shares issued outstanding as of December 31, 2024 | 1 | 1 |
| Class B Common Stock, \$0.00001 par value - 100,000,000 shares authorized; 677,234 shares issued and outstanding as of March 31, 2025 and December 31, 2024 | — | — |
| Class C Common Stock, \$0.00001 par value - 200,000,000 shares authorized; 15,196,670 shares issued and outstanding as of March 31, 2025 and 15,287,620 shares issued and outstanding as of December 31, 2024 | — | — |
| Class D Common Stock, \$0.00001 par value - 100,000,000 shares authorized; 24,896,690 shares issued and outstanding as of March 31, 2025 and December 31, 2024 | — | — |
| Accumulated other comprehensive income | 522 | 343 |
| Treasury stock at cost, 0 shares as of March 31, 2025 and December 31, 2024 | — | — |
| Retained earnings | 72,147 | 83,778 |
| Additional paid-in capital | 44,020 | 114,231 |
| Total stockholders' equity attributable to Clear Secure, Inc. | 116,690 | 198,353 |
| Non-controlling interest | 9,298 | 39,587 |
| Total stockholders' equity | 125,988 | 237,940 |
| Total liabilities and stockholders' equity | \$ 1,111,334 | \$ 1,194,932 |

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 March 31, | |
|--|------------------------------|-------------------|
| | 2025 | 2024 |
| Revenue | \$ 211,368 | \$ 179,049 |
| Operating expenses: | | |
| Cost of revenue share fee | 29,567 | \$ 24,364 |
| Cost of direct salaries and benefits | 50,742 | \$ 40,288 |
| Research and development | 18,999 | \$ 20,104 |
| Sales and marketing | 13,386 | \$ 11,622 |
| General and administrative | 54,738 | \$ 52,890 |
| Depreciation and amortization | 6,532 | \$ 6,092 |
| Operating income | 37,404 | 23,689 |
| Other income (expense): | | |
| Interest income, net | 6,153 | \$ 9,925 |
| Other income, net | 448 | \$ 439 |
| Income before tax | 44,005 | 34,053 |
| Income tax expense | (5,422) | \$ (1,965) |
| Net income | 38,583 | 32,088 |
| Less: net income attributable to non-controlling interests | 13,178 | 13,282 |
| Net income attributable to Clear Secure, Inc. | \$ 25,405 | \$ 18,806 |
| Net income per share of Class A Common Stock and Class B Common Stock (Note 14) | | |
| Net income per common share basic, Class A | \$ 0.26 | \$ 0.20 |
| Net income per common share basic, Class B | \$ 0.26 | \$ 0.20 |
| Net income per common share diluted, Class A | \$ 0.26 | \$ 0.20 |
| Net income per common share diluted, Class B | \$ 0.26 | \$ 0.20 |
| Weighted-average shares of Class A Common Stock outstanding, basic | 95,323,648 | 91,831,639 |
| Weighted-average shares of Class B Common Stock outstanding, basic | 677,234 | 907,234 |
| Weighted-average shares of Class A Common Stock outstanding, diluted | 96,840,018 | 92,506,108 |
| Weighted-average shares of Class B Common Stock outstanding, diluted | 677,234 | 907,234 |

See notes to condensed consolidated financial statements

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

| | Three months ended March 31, | |
|--|-------------------------------------|------------------|
| | 2025 | 2024 |
| Net income | \$ 38,583 | \$ 32,088 |
| Other comprehensive income (loss) | | |
| Currency translation | (21) | — |
| Unrealized gain (loss) on fair value of marketable securities | 275 | (2,983) |
| Total other comprehensive income (loss) | 254 | (2,983) |
| Comprehensive income | 38,837 | 29,105 |
| Less: comprehensive income attributable to non-controlling interests | 13,253 | 12,134 |
| Comprehensive income attributable to Clear Secure, Inc. | \$ 25,584 | \$ 16,971 |

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 income | Treasury Stock | | Retained earnings (accumulated deficit) | 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 | | | | |
| Balance, January 1, 2025 | 96,794,826 | \$ 1 | 677,234 | \$ — | 15,287,620 | \$ — | 24,896,690 | \$ — | \$ 114,231 | \$ 343 | \$ — | \$ — | \$ 83,778 | \$ 198,353 | \$ 39,587 | \$ 237,940 |
| Net income | — | — | — | — | — | — | — | — | — | — | — | — | 25,405 | 25,405 | 13,178 | 38,583 |
| Other comprehensive income | — | — | — | — | — | — | — | — | — | 179 | — | — | — | 179 | 75 | 254 |
| Equity-based compensation expense, net of forfeitures | — | — | — | — | — | — | — | — | 5,635 | — | — | — | — | 5,635 | 2,368 | 8,003 |
| Net share settlements of stock-based awards | 318,367 | — | — | — | — | — | — | — | (1,690) | — | — | — | — | (1,690) | (931) | (2,621) |
| Distribution to members | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (5,011) | (5,011) |
| Tax distribution to members | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (11,637) | (11,637) |
| Exchange of shares | 90,950 | — | — | — | (90,950) | — | — | — | 45 | — | — | — | — | 45 | (45) | — |
| Dividends | — | — | — | — | — | — | — | — | — | — | — | — | (11,720) | (11,720) | — | (11,720) |
| Special Dividends | — | — | — | — | — | — | — | — | — | — | — | — | (25,316) | (25,316) | — | (25,316) |
| Tax Receivable Agreement and related changes to deferred tax assets associated with adjustments in tax basis | — | — | — | — | — | — | — | — | 173 | — | — | — | — | 173 | — | 173 |
| Repurchase and retirement of Class A Common Stock | (4,267,758) | — | — | — | — | — | — | — | (74,374) | — | — | — | — | (74,374) | (28,286) | (102,660) |
| Balance, March 31, 2025 | 92,936,385 | \$ 1 | 677,234 | \$ — | 15,196,670 | \$ — | 24,896,690 | \$ — | \$ 44,020 | \$ 522 | \$ — | \$ — | \$ 72,147 | \$ 116,690 | \$ 9,298 | \$ 125,988 |
| 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 loss | — | — | — | — | — | — | — | — | — | (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 | — | — | — | — | — | — | — | — | (37,309) | — | — | — | — | (37,309) | — | (37,309) |
| 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 |

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 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 network under the brand name CLEAR primarily in the United States. CLEAR's current offerings include: CLEAR+, 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 59 airports (as of the date of this filing); TSA PreCheck® Enrollment Provided by CLEAR at 58 airports and 107 retail locations (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; our free flagship CLEAR app, which offers consumer products like Home-to-Gate, a feature to help travelers plan and time their trip to the airport; CLEAR Mobile at 4 domestic airports (as of the date of this filing), which delivers predictable airport security for travelers by accessing a dedicated lane at airport security, simply by showing a QR code, that is free to CLEAR+ Members and available to all travelers by purchasing a day pass—valid for 24 hours; CLEAR Concierge, our curb-to-gate service where our Ambassadors guide Members through the airport; CLEAR Perks, our suite of benefits to help CLEAR+ Members win every step of their travel journey; and CLEAR1, our B2B offering, which enables our partners to leverage our digital identity technology and embedded Member base to facilitate secure and frictionless experiences digitally and physically via our software development kits and application programming interfaces.

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, 2025.

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, 2024 (the “2024 Form 10-K”). The Company has one operating and reportable segment. See [Note 20](#) for more information.

Recently Adopted Accounting Pronouncements

The Company adopted all applicable standards effective as of December 31, 2024, within these condensed consolidated financial statements. There was no material impact as a result. There are no newly issued standards since December 31, 2024 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+. For the three months ended March 31, 2025 and 2024, no individual airport accounted for more than 10% of membership revenue.

Revenue by Geography

For the three months ended March 31, 2025 and 2024, 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 three months ended March 31, 2025.

| | 2025 |
|---------------------------------|-------------------|
| Balance as of January 1 | \$ 439,753 |
| Deferral of revenue | 201,170 |
| Recognition of deferred revenue | (205,426) |
| Balance as of March 31 | \$ 435,497 |

The Company has obligations for refunds and other similar items of \$3,743 as of March 31, 2025 recorded within accrued liabilities.

During the three months ended March 31, 2025 and 2024, the Company recognized \$180,235 and \$154,830, 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 March 31, 2025 and December 31, 2024 consist of the following:

| | March 31, 2025 | December 31, 2024 |
|---------------------------|-------------------|----------------------|
| Prepaid software licenses | \$ 11,085 | \$ 12,002 |
| Prepaid insurance costs | 1,555 | 2,443 |
| Other current assets | 13,767 | 13,113 |
| Total | \$ 26,407 | \$ 27,558 |

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 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.

CLEAR SECURE, INC.

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

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 counterparts 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:

| | March 31, 2025 | December 31, 2024 |
|------------------------------------|-------------------|----------------------|
| Due within 1 year | \$ 265,482 | \$ 365,655 |
| Due after 1 year through 2 years | 176,836 | 176,950 |
| Total marketable securities | \$ 442,318 | \$ 542,605 |

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 March 31, 2025 and December 31, 2024.

| | As of March 31, 2025 | | | | |
|--|----------------------|------------------------|-------------------------|-------------------|-------|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value | Level |
| Commercial paper | \$ — | \$ — | \$ — | \$ — | 2 |
| U.S. Treasuries | 82,967 | 83 | (84) | 82,966 | 1 |
| Corporate bonds | 304,897 | 710 | (140) | 305,467 | 2 |
| Money market funds measured at NAV (a) | 53,885 | — | — | 53,885 | N/A |
| Total marketable securities | \$ 441,749 | \$ 793 | \$ (224) | \$ 442,318 | |

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 December 31, 2024 | | | | |
|--|-------------------------|------------------------|-------------------------|-------------------|-------|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value | Level |
| Commercial paper | \$ — | \$ — | \$ — | \$ — | 2 |
| U.S. Treasuries | 188,974 | 99 | (108) | 188,965 | 1 |
| Corporate bonds | 299,637 | 571 | (333) | 299,875 | 2 |
| Money market funds measured at NAV (a) | 53,765 | — | — | 53,765 | N/A |
| Total marketable securities | \$ 542,376 | \$ 670 | \$ (441) | \$ 542,605 | |

(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 March 31, 2025, \$1,000 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 March 31, 2025 or December 31, 2024 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 March 31, 2025 and December 31, 2024 consist of the following:

| | Depreciation period in years | March 31, 2025 | December 31, 2024 |
|---|------------------------------|------------------|-------------------|
| Internally developed software | 3 - 5 | \$ 70,705 | \$ 68,532 |
| Acquired software | 3 | 6,441 | 6,441 |
| Equipment | 5 | 45,371 | 42,419 |
| Leasehold improvements | 1 - 15 | 8,120 | 8,120 |
| Furniture and fixtures | 5 | 14,042 | 13,991 |
| Construction in progress | | 7,470 | 8,755 |
| Total property and equipment, cost | | 152,149 | 148,258 |
| Less: accumulated depreciation | | (96,700) | (91,389) |
| Total property and equipment, net | | \$ 55,449 | \$ 56,869 |

Depreciation and amortization expense related to property and equipment for the three months ended March 31, 2025 and 2024 was \$5,432 and \$5,168, respectively.

During the three months ended March 31, 2025 and 2024, \$2,173 and \$1,827, respectively, was capitalized in connection with internally developed software inclusive of \$204 and \$204, respectively, of equity-based compensation. Amortization expense on internally developed software was \$3,311 and \$3,162 for the three months ended March 31, 2025 and 2024, respectively.

During the three months ended March 31, 2025 and 2024, the Company recognized no impairment charges on certain long-lived assets.

Purchases of property and equipment with unpaid costs in accounts payable and accrued liabilities as of March 31, 2025 were \$47 and \$1,000, respectively, and \$225 and \$300 as of March 31, 2024, respectively.

CLEAR SECURE, INC.

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

7. Leases

Cash paid for amounts included in the measurement of operating lease liabilities for the three months ended March 31, 2025 and 2024 was \$,899 and \$3,732, respectively. The Company recorded \$444 in sublease income for each of the three months ended March 31, 2025 and 2024 within other income (expense), net within the condensed consolidated statements of operations.

8. Intangible Assets, net

See below for Intangible assets, net as of March 31, 2025 and December 31, 2024:

| | Weighted Average Useful Life in Years | March 31, 2025 | December 31, 2024 |
|---|--|------------------|-------------------|
| Patents | 20 | \$ 2,518 | \$ 2,518 |
| Acquired intangibles - technology | 3 | 5,130 | 5,130 |
| Acquired intangibles - customer relationships | 6.4 | 18,370 | 18,370 |
| Acquired intangibles - brand names | 3.4 | 500 | 500 |
| Indefinite lived intangible assets | | 310 | 310 |
| Total intangible assets, cost | | 26,828 | 26,828 |
| Less: accumulated amortization | | (12,628) | (11,528) |
| Intangible assets, net | | \$ 14,200 | \$ 15,300 |

Amortization expense on intangible assets for the three months ended March 31, 2025 and 2024 was \$,100 and \$924, respectively. The Company did not recognize any impairment charges on intangible assets, net for any periods presented.

9. Restricted Cash

As of March 31, 2025 and December 31, 2024, the Company maintained bank deposits of \$3,120 and \$3,456, 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 of March 31, 2025 and December 31, 2024:

| | March 31, 2025 | December 31, 2024 |
|---|-------------------|----------------------|
| Coronavirus aid, relief, and economic security act retention credit | 1,002 | 1,002 |
| Strategic investment | 7,000 | 7,000 |
| Deferred tax asset | 276,386 | 274,678 |
| Other long-term assets | 2,268 | 2,767 |
| Total | \$ 286,656 | \$ 285,447 |

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 months ended March 31, 2025 and 2024, there were no fair value adjustments recorded by the Company in relation to its strategic investment.

CLEAR SECURE, INC.

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

11. Accrued Liabilities and Other Long Term Liabilities

Accrued liabilities consist of the following as of March 31, 2025 and December 31, 2024:

| | March 31, 2025 | December 31, 2024 |
|--|-------------------|----------------------|
| Accrued compensation and benefits | \$ 15,063 | \$ 18,500 |
| Accrued partnership liabilities | 177,451 | 123,991 |
| Lease liability | 6,029 | 6,159 |
| Tax receivable agreement liability - short term (See Note 15) | 16,308 | 334 |
| Other accrued liabilities | 31,982 | 36,297 |
| Total | \$ 246,833 | \$ 185,281 |

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 March 31, 2025 and December 31, 2024:

| | March 31, 2025 | December 31, 2024 |
|---|-------------------|----------------------|
| Deferred tax liability | \$ 739 | \$ 948 |
| Lease liability | 113,542 | 115,096 |
| Tax receivable agreement liability - long term (See Note 15) | 181,139 | 196,468 |
| Other long term liabilities | 1,543 | 1,426 |
| Total | \$ 296,963 | \$ 313,938 |

12. Stockholders' Equity*Common Stock*

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

Treasury Stock

The Company's treasury stock consist shares repurchased under the Company's share repurchase program that are not retired by the Company's board of directors (the "Board"). 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 three months ended March 31, 2025, the Company repurchased and retired 4,267,758 shares of its Class A Common Stock for \$101,740 at an average price of \$23.84. As of March 31, 2025, \$151,092 remains 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 three months ended March 31, 2025, the Company recorded a \$920 accrual related to this tax within its condensed consolidated financial statements. Refer to [Note 15](#) for further information regarding the Inflation Reduction Act.

CLEAR SECURE, INC.

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

Special and Quarterly 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 payment of the dividend from proportionate cash distributions by Alclear to all of its members, including 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 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 February 21, 2025, the Company announced that its Board declared a quarterly dividend of \$0.125 per share and a special cash dividend of \$0.27 per share, payable on March 18, 2025 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on March 10, 2025. 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.

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 March 31, 2025:

| | Alclear Units | Ownership Percentage |
|---|-------------------|----------------------|
| Alclear Units held by Alclear post-reorganization members (other than the Co-Founders and Clear Secure, Inc.) | 15,196,670 | 11.37 % |
| Alclear Units held by the Co-Founders | 24,896,690 | 18.62 % |
| Total | 40,093,360 | 29.99 % |

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 three months ended March 31, 2025, 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 90,950 shares of Class A Common Stock.

The non-controlling interest ownership percentage changed from 29.20% as of December 31, 2024 to 29.99% as of March 31, 2025.

CLEAR SECURE, INC.

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

13. 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 2025, 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 2025.

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 generally 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 three months ended March 31, 2025:

| | RSU's | Weighted-Average Grant-Date Fair Value |
|---|------------------|--|
| Unvested balance as of January 1, 2025 | 3,823,077 | \$ 21.45 |
| Granted | 1,902,072 | 22.28 |
| Vested | (425,047) | 21.87 |
| Forfeited | (528,069) | 21.43 |
| Unvested balance as of March 31, 2025 | 4,772,033 | \$ 21.83 |

The following is a schedule of the expected vesting period for unvested RSUs as of March 31, 2025:

| | Unvested RSUs |
|--|------------------|
| Expected to vest within 1 year | 1,825,886 |
| Expected to vest between 1 to 2 years | 1,533,011 |
| Expected to vest between 2 to 3 years | 1,413,136 |
| Unvested balance as of March 31, 2025 | 4,772,033 |

CLEAR SECURE, INC.

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

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

| | Three months ended March 31, | | | |
|--------------------------------------|------------------------------|--------------|-----------|--------------|
| | 2025 | | 2024 | |
| Cost of direct salaries and benefits | \$ | 137 | \$ | 126 |
| Research and development | | 3,097 | | 3,553 |
| Sales and marketing | | 140 | | 232 |
| General and administrative | | 3,428 | | 3,764 |
| Total | \$ | 6,802 | \$ | 7,675 |

As of March 31, 2025, estimated unrecognized expense for RSUs that are probable of vesting was \$8,902 with such expense to be recognized over a weighted-average period of approximately 2.43 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 March 31, 2025, estimated unrecognized expense for Founder PSUs was \$1,019 with such expense to be recognized over a weighted-average period of approximately 0.04 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 March 31, | | | |
|--------------|------------------------------|--------------|-----------|---------------|
| | 2025 | | 2024 | |
| RSUs | | 6,802 | | 7,675 |
| Founder PSUs | | 996 | | 2,990 |
| Total | \$ | 7,798 | \$ | 10,665 |

| | Three months ended March 31, | | | |
|--------------------------------------|------------------------------|--------------|-----------|---------------|
| | 2025 | | 2024 | |
| Cost of direct salaries and benefits | \$ | 137 | \$ | 126 |
| Research and development | | 3,097 | | 3,553 |
| Sales and marketing | | 140 | | 232 |
| General and administrative | | 4,424 | | 6,754 |
| Total | \$ | 7,798 | \$ | 10,665 |

CLEAR SECURE, INC.

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

14. Net Income per Common Share

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

| | Three Months Ended March 31, 2025 | |
|---|-----------------------------------|----------------|
| | Class A | Class B |
| Basic: | | |
| Net income attributable to Clear Secure, Inc. | \$ 25,225 | \$ 179 |
| Weighted-average number of shares outstanding, basic | 95,323,648 | 677,234 |
| Net income per common share, basic: | \$ 0.26 | \$ 0.26 |
| Diluted: | | |
| Net income attributable to Clear Secure, Inc. used to calculate net income per common share, basic | \$ 25,225 | \$ 179 |
| Add: reallocation of net income to Clear Secure, Inc. to reflect dilutive impact | 63 | (2) |
| <i>Net income attributable to Clear Secure, Inc. used to calculate net income per common share, diluted</i> | 25,288 | 177 |
| Weighted-average number of shares outstanding used to calculate net income per common share, basic | 95,323,648 | 677,234 |
| Effect of dilutive shares | 1,516,370 | — |
| <i>Weighted-average number of shares outstanding, diluted</i> | 96,840,018 | 677,234 |
| Net income per common share, diluted: | \$ 0.26 | \$ 0.26 |

| | Three Months Ended March 31, 2024 | |
|---|-----------------------------------|----------------|
| | Class A | Class B |
| Basic: | | |
| Net income attributable to Clear Secure, Inc. | \$ 18,622 | \$ 184 |
| Weighted-average number of shares outstanding, basic | 91,831,639 | 907,234 |
| Net income per common share, basic: | \$ 0.20 | \$ 0.20 |
| Diluted: | | |
| Net income attributable to Clear Secure, Inc. used to calculate net income per common share, basic | \$ 18,622 | \$ 184 |
| Add: reallocation of net income to Clear Secure, Inc. to reflect dilutive impact | 57 | (1) |
| <i>Net income attributable to Clear Secure, Inc. used to calculate net income per common share, diluted</i> | 18,679 | 183 |
| Weighted-average number of shares outstanding used to calculate net income per common share, basic | 91,831,639 | 907,234 |
| Effect of dilutive shares | 674,469 | — |
| <i>Weighted-average number of shares outstanding, diluted</i> | 92,506,108 | 907,234 |
| Net income per common share, diluted: | \$ 0.20 | \$ 0.20 |

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 per share of Class A and Class B common stock for the three months ended March 31, 2025 and 2024:

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 March 31, 2025 | |
|----------------------------|--|-------------------|
| | Class A | Class B |
| Exchangeable Alclear Units | 15,196,670 | 24,896,690 |
| RSU's | 242,569 | — |
| Total | 15,439,239 | 24,896,690 |

| | Three Months Ended March 31, 2024 | |
|----------------------------|--|-------------------|
| | Class A | Class B |
| Exchangeable Alclear Units | 30,609,111 | 25,796,690 |
| RSU's | 823,456 | — |
| Total | 31,432,567 | 25,796,690 |

For the three months ended March 31, 2025, the Company has excluded 5,098,863 potentially dilutive shares from the tables above as they had performance conditions that were not achieved as of the end of the periods.

15. Income Taxes

The Company is 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 U.S. 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 \$5,422 on a pretax income of \$44,005 for the three months ended March 31, 2025 as compared to a tax expense of \$1,965 on a pretax income of \$34,053 for the three months ended March 31, 2024. This resulted in an effective tax rate of 2.3% for the three months ended March 31, 2025 as compared to 5.8% percent for the three months ended March 31, 2024. 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) impact of state and foreign taxes, and (3) movement in valuation allowance. The Company paid \$520 in estimated income taxes for the three months ended March 31, 2025.

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, 2020 and forward. The tax years for foreign jurisdictions open for examination are for the years ending December 31, 2019 and forward.

During the three months ended March 31, 2025, the Company repurchased 4,267,758 shares of its Class A Common Stock and recorded a liability of \$920 related to 1% excise tax on the fair market value of net stock repurchases made as of March 31, 2025.

Tax Receivable Agreement

In connection with the IPO, the Company entered into a Tax Receivable Agreement (“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 the post-IPO members of Alclear (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 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

CLEAR SECURE, INC.

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

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 three months ended March 31, 2025, the Company issued 90,950 shares of Class A Common Stock to certain non-controlling interest holders who exchanged their Alclear Units. Refer to [Note 12](#) 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 March 31, 2025, the Company has recognized the deferred tax asset of \$232,265 for the step-up in tax basis, as the asset is more-likely-than-not to be realized. As a result, the Company has determined the TRA liability is probable and therefore has recorded a tax receivable agreement liability of \$197,426.

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.

During the three months ended March 31, 2025, Alclear paid a tax distribution, including withholding taxes, of \$4,542, to holders of Alclear Units other than Clear Secure, Inc. and the state tax authorities.

16. 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 \$11,375 over the next three years under certain service arrangements.

CLEAR SECURE, INC.

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

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 March 31, 2025:

| | | |
|--------------|-----------|---------------|
| 2025 | \$ | 23,807 |
| 2026 | | 18,082 |
| 2027 | | 12,013 |
| 2028 | | 8,801 |
| 2029 | | 964 |
| Thereafter | | 324 |
| Total | \$ | 63,991 |

The Company has commitments for future marketing expenditures to sports stadiums of \$1,997 through 2026. For the three months ended March 31, 2025 and 2024, marketing expenses related to sports stadiums were approximately \$1,263 and \$1,249, respectively.

17. Related Party Transactions

As of March 31, 2025, and December 31, 2024, the Company had total payables to certain related parties of \$,141 and \$3,540, respectively.

For the three months ended March 31, 2025 and 2024, the Company recorded \$,115 and \$3,237, respectively, in cost of revenue share fee within the condensed consolidated statements of operations, in connection with certain related parties.

Refer to [Note 15](#) for information regarding the TRA liability.

18. 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 March 31, 2025 and 2024, the Company recorded expense of \$1,402 and \$902, respectively, within the condensed consolidated statements of operations.

19. 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 Company incurred immaterial debt issuance costs in connection to Amendment No. 2 to the Credit Agreement. In November 2024, the Company entered into Amendment No. 3 to the Credit Agreement to increase the letter of credit sublimit from \$35,000 to \$50,000. The line of credit has not been drawn against as of March 31, 2025. 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 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.

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 March 31, 2025, the Company had a remaining borrowing capacity of \$66,408, 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 March 31, 2025, the Company was in compliance with all of the financial and non-financial covenants of the Credit Agreement.

20. Segment Information

The Company is organized and operates as a single operating and reportable segment, which aligns with the way the Chief Operating Decision Makers (“CODM”), who are the Chief Executive Officer and Chief Financial Officer, evaluate financial performance and results and allocate resources based on the condensed consolidated results of the Company as a whole. The Company’s operations are primarily focused on growing and maintaining its secure identity network across multiple offerings in both aviation and non-aviation channels. See [Note 1](#) for further information on the Company’s operations and services from which it derives its revenues.

Operating income and assets are managed at the consolidated level, and there are no separate components that are regularly reviewed for performance or allocation of resources. Consolidated operating income as reported in the financial statements is used by the CODM to monitor budget versus actual results, review performance and allocate resources. The Company’s condensed consolidated condensed financial statements within this Quarterly Report on Form 10-Q reflect the Company’s operations for its single operating and reportable segment.

Total revenues and long-lived assets outside of the United States are immaterial for each of the three months ended March 31, 2025 and 2024.

21. Subsequent Events

Quarterly Dividend

On May 6, 2025, the Company announced that its Board declared a quarterly dividend of \$0.125 per share, payable on June 17, 2025 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on June 10, 2025 (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 second quarter of 2025, the Company used \$17,335 to repurchase and retire 724,103 shares of Class A Common Stock at an average price of \$23.94.

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, 2024 ("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 a secure identity company making experiences safer and easier - both 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, frictionless experiences in airports for over 15 years, achieving exceptional user delight and trust with CLEAR+, our consumer aviation subscription service. CLEAR+ 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 several consumer products, including: Home to Gate, a feature to help travelers plan and time their trip to the airport; CLEAR Mobile, which delivers predictable airport security for travelers by accessing a dedicated lane at airport security, simply by showing a QR code, that is free to CLEAR+ Members and available to all travelers by purchasing a day pass; CLEAR Concierge, our curbside-to-gate service where our Ambassadors guide Members through the airport; and CLEAR Perks, our suite of benefits to help CLEAR+ Members win every step of their travel journey. CLEAR1, our business to business ("B2B") offering, is our secure identity platform that maximizes security and minimizes friction for partners and consumers. CLEAR1 enables our partners to leverage our digital identity technology and embedded Member base 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+ Members) as well as new platform Members. We rely on multiple channels to attract new CLEAR+ 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 helps us to efficiently scale membership in CLEAR+. In March 2025 we renewed our partnership with American Express for the second 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+ Members

Our ability to execute on our growth strategy is focused, in part, on our ability to retain our existing CLEAR+ 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+ 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+ 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 strong retention. 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. If our efforts to develop and offer more benefits are not valued by our current and future CLEAR+ Members, our ability to attract and retain CLEAR+ Members, or increase pricing, may be negatively impacted.

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 and regulatory environment

Our business is dependent on macroeconomic and other events outside of our control, such as decreased levels of travel or attendance at events, changes in government policy and regulation, 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

We are 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 a 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.

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.

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.

The Company maintains a 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.

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, Active CLEAR+ Members, Annual CLEAR+ Gross Dollar Retention, and Annual CLEAR+ 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+ 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 March 31, | | \$ Change | % Change |
|------------------------------|------------------------------|----------|-----------|----------|
| | 2025 | 2024 | | |
| Total Bookings (in millions) | \$ 207.2 | \$ 180.6 | \$ 26.6 | 15 % |

Total Bookings increased by \$26.6 million, or 15%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The increase was primarily driven by growth in Active CLEAR+ Members as well as price increases.

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+ 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 March 31, | | Change | % Change |
|---|-----------------|--------|--------|----------|
| | 2025 | 2024 | | |
| Total Cumulative Enrollments (in thousands) | 31,215 | 21,941 | 9,274 | 42% |

Total Cumulative Enrollments were 31,215 as of March 31, 2025 and 21,941 as of March 31, 2024, which represented a 42% increase. The year-over-year increase was driven by CLEAR1 and CLEAR+ Member enrollments.

Total Cumulative Platform Uses

We define Total Cumulative Platform Uses as the number of individual engagements across CLEAR use cases, including CLEAR+, CLEAR Mobile, our flagship app, and CLEAR1, 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 March 31, | | Change | % Change |
|---|-----------------|---------|--------|----------|
| | 2025 | 2024 | | |
| Total Cumulative Platform Uses (in thousands) | 248,895 | 192,610 | 56,285 | 29% |

Total Cumulative Platform Uses was 248,895 as of March 31, 2025 and 192,610 as of March 31, 2024, which represented a 29% increase, driven by CLEAR+ verifications combined with increased contributions from CLEAR1 uses.

Active CLEAR+ Members

We define Active CLEAR+ Members as the number of members with an active CLEAR+ subscription as of the end of the period. This includes CLEAR+ members who have an activated payment method, plus associated family accounts and is inclusive of members who are in a limited time free trial or in a billing grace period after a billing failure during which time we attempt to collect payment; we exclude duplicate and/or purged accounts. Management views this as an important tool to measure the growth of its CLEAR+ product.

| | As of March 31, | | |
|--------------------------------------|-----------------|-------|----------|
| | 2025 | 2024 | % Change |
| Active CLEAR+ Members (in thousands) | 7,415 | 6,798 | 9% |

Active CLEAR+ Members was 7,415 as of March 31, 2025 and 6,798 as of March 31, 2024, which represented a 9% increase, driven by new Members added through new and existing airports as well as partner and organic channels.

Annual CLEAR+ Gross Dollar Retention

We define Annual CLEAR+ 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+ Members as of the last day of the Prior Period who have activated a payment method for our in-airport CLEAR+ service, including their registered family plan Members. Bookings received from a third party as part of a partnership agreement are excluded from both periods. Active CLEAR+ Members, including those on a free or discounted plan, or who receive a full statement credit, only impact Annual CLEAR+ Gross Dollar Retention to the extent that they are paying anything out-of-pocket on behalf of themselves or a registered family plan Member. Management views this metric to be reflective of our business objective of optimizing revenue.

| | As of March 31, | | |
|--------------------------------------|-----------------|-------|----------|
| | 2025 | 2024 | % Change |
| Annual CLEAR+ Gross Dollar Retention | 87.1% | 89.8% | (2.7%) |

Annual CLEAR+ Gross Dollar Retention was 87.1% as of March 31, 2025 and 89.8% as of March 31, 2024, a year-over-year decrease of 270 basis points. The year-over-year change was driven primarily by a lower increase in pricing as compared to the prior period.

Annual CLEAR+ Member Usage

We define Annual CLEAR+ Member Usage as the total number of unique airport verifications (via CLEAR+ or CLEAR Mobile) by our CLEAR+ Members in the 365 days prior to the end of the period divided by Active CLEAR+ 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+ Member base.

| | As of March 31, | | |
|----------------------------|-----------------|------|----------|
| | 2025 | 2024 | % Change |
| Annual CLEAR+ Member Usage | 7.1x | 7.8x | (9 %) |

Annual Usage was 7.1x as of March 31, 2025 and 7.8x as of as of March 31, 2024, which represented a 9% decrease. The decrease was driven by both lower utilization for newer Members and a decrease in utilization for existing Members.

Non-GAAP Financial Measures

In addition to our results as determined in accordance with GAAP, we disclose Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow 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, 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 adjusted for income taxes, interest income, net, depreciation and amortization, impairment and losses on asset disposals, equity-based compensation expense, 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. We believe Adjusted EBITDA assists investors in evaluating the performance of the Company's core operations by excluding certain items that impact the comparability of results from period to period.

Free Cash Flow

We define Free Cash Flow as net cash provided by operating activities adjusted for purchases of property. With regards to our CLEAR+ 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 to Adjusted EBITDA:

| (In thousands) | Three months ended March 31, | | | |
|-----------------------------------|------------------------------|---------------|-----------|---------------|
| | 2025 | | 2024 | |
| Net income | \$ | 38,583 | \$ | 32,088 |
| Income tax (benefit) expense | | 5,422 | | 1,965 |
| Interest income, net | | (6,153) | | (9,925) |
| Other (income) expense, net | | (4) | | 5 |
| Depreciation and amortization | | 6,532 | | 6,092 |
| Equity-based compensation expense | | 7,798 | | 10,665 |
| Adjusted EBITDA | \$ | 52,178 | \$ | 40,890 |
| Revenue | \$ | 211,368 | \$ | 179,049 |
| Net income Margin | | 18 % | | 18 % |
| Adjusted EBITDA Margin | | 25 % | | 23 % |

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

| (In thousands) | Three months ended March 31, | | | |
|---|------------------------------|---------------|-----------|---------------|
| | 2025 | | 2024 | |
| Net cash provided by operating activities | \$ | 98,347 | \$ | 80,349 |
| Purchases of property and equipment | | (7,084) | | (2,776) |
| Free Cash Flow | \$ | 91,263 | \$ | 77,573 |

Components of Results of Operations

Revenue

The Company derives substantially all of its revenue from subscriptions to its consumer aviation service, CLEAR+. 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, and credit card chargebacks. 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 generates additional revenue from TSA PreCheck® Enrollment Provided by CLEAR. The Company offers both online and in person enrollments and renewals across multiple locations, and plans to continue 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.

The Company also generates revenue in relation to CLEAR1. While contract structure may vary by use case, these deals are typically multi-year agreements that drive revenue through transaction fees (charged per use or per user) in addition to an annual platform fee. 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. Although platform Members may not contribute directly to our revenues, they are valuable to our platform as they indirectly contribute revenues and drive new partners to CLEAR.

Operating Expenses

Cost of revenue share fee

The Company operates as a concessionaire in airports and shares a portion of the gross receipts generated both from the Company's Members and from TSA PreCheck® Enrollment Provided by CLEAR with the host airports, retail locations, and/or 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 generally 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 condensed 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, 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 (expense), net

Other income (expense), net consists of certain non-recurring non-operating items and the establishment of the tax receivable agreement liability for exchanges of Alclear units which occurred when the related deferred tax assets required a valuation allowance.

Provision (benefit) for income taxes

The Company is 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 U.S. federal income taxes, 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 months ended March 31, 2025 and 2024 (in millions):

| | Three months ended March 31, | | \$ Change | % Change |
|--------------------------------------|------------------------------|----------------|---------------|-------------|
| | 2025 | 2024 | | |
| Revenue | \$ 211.4 | \$ 179.0 | \$ 32.2 | 18 % |
| Operating expenses: | | | | |
| Cost of revenue share fee | 29.6 | 24.4 | 5.2 | 21 % |
| Cost of direct salaries and benefits | 50.7 | 40.3 | 10.6 | 26 % |
| Research and development | 19.0 | 20.1 | (1.1) | (5) % |
| Sales and marketing | 13.4 | 11.6 | 1.8 | 15 % |
| General and administrative | 54.7 | 52.9 | 1.8 | 3 % |
| Depreciation and amortization | 6.5 | 6.1 | 0.4 | 7 % |
| Operating income | 37.4 | 23.7 | 13.7 | 58 % |
| Other income (expense) | | | | |
| Interest income, net | 6.2 | 9.9 | (3.8) | (38) % |
| Other income, net | 0.4 | 0.4 | — | — % |
| Income before tax | 44.0 | 34.1 | 10.0 | 29 % |
| Income tax expense | (5.4) | (2.0) | (3.5) | 176 % |
| Net income | \$ 38.6 | \$ 32.1 | \$ 6.5 | 20 % |

Information about our operating results for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 is set forth below:

Revenue

| | Three months ended March 31, | | \$ Change | % Change |
|---------|------------------------------|----------|-----------|----------|
| | 2025 | 2024 | | |
| Revenue | \$ 211.4 | \$ 179.0 | \$ 32.2 | 18 % |

Revenue increased by \$32.2 million, or 18%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The change was primarily due to a 9% increase in the number of Active CLEAR+ Members as of March 31, 2025 compared to March 31, 2024 and increases to the price of a CLEAR+ membership compared to the price as of March 31, 2024. Approximately 27% and 28% of paying CLEAR+ members were on a family plan as of March 31, 2025 and 2024, respectively.

Cost of revenue share fee

| | Three months ended March 31, | | \$ Change | % Change |
|---------------------------|------------------------------|---------|-----------|----------|
| | 2025 | 2024 | | |
| Cost of revenue share fee | \$ 29.6 | \$ 24.4 | \$ 5.2 | 21 % |

Cost of revenue share fee increased by \$5.2 million, or 21%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The change was driven primarily by an increase of \$1.9 million, or a 24% increase, in fixed airport fees and \$3.3 million, or a 20% increase, in per Member fees. COVID-related concessions reduced Cost of revenue share fee by none and \$1.8 million in three months ended March 31, 2025 and 2024, respectively.

Cost of direct salaries and benefits

| | Three months ended March 31, | | \$ Change | % Change |
|--------------------------------------|------------------------------|---------|-----------|----------|
| | 2025 | 2024 | | |
| Cost of direct salaries and benefits | \$ 50.7 | \$ 40.3 | \$ 10.6 | 26 % |

Cost of direct salaries and benefits expenses increased by \$10.6 million, or 26%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The change was primarily due to increased employee compensation costs of \$9.4 million caused by wage increases, a change to our Ambassador compensation structure, and higher average employee count.

Research and development

| | Three months ended March 31, | | \$ Change | % Change |
|--------------------------|------------------------------|---------|-----------|----------|
| | 2025 | 2024 | | |
| Research and development | \$ 19.0 | \$ 20.1 | \$ (1.1) | (5) % |

Research and development expenses decreased by \$1.1 million, or 5%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The change was primarily due to a decrease in employee compensation costs of \$1.6 million, including a \$0.9 million decrease in severance related to the closure of our Israel office during three months ended March 31, 2024.

Sales and marketing

| | Three months ended March 31, | | \$ Change | % Change |
|---------------------|------------------------------|---------|-----------|----------|
| | 2025 | 2024 | | |
| Sales and marketing | \$ 13.4 | \$ 11.6 | \$ 1.8 | 15 % |

Sales and marketing expenses increased by \$1.8 million, or 15%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The change was driven primarily by \$2.7 million of higher discretionary marketing expense and \$0.4 million of higher employee compensation costs, partially offset by a \$1.7 million decrease in commission resulting from changes to our Ambassador compensation structure.

General and administrative

| | Three months ended March 31, | | \$ Change | % Change |
|----------------------------|------------------------------|---------|-----------|----------|
| | 2025 | 2024 | | |
| General and administrative | \$ 54.7 | \$ 52.9 | \$ 1.8 | 3 % |

General and administrative expenses increased by \$1.8 million, or 3%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The change was primarily driven by a \$1.6 million increase in credit card fees due to higher bookings and \$1.6 million higher professional fees, partially offset by a \$1.6 million decrease in employee compensation cost mostly due to lower Founder PSU expense.

Other income (expense)

| | Three months ended March 31, | | \$ Change | % Change |
|----------------------|------------------------------|--------|-----------|----------|
| | 2025 | 2024 | | |
| Interest income, net | \$ 6.2 | \$ 9.9 | \$ (3.8) | (38) % |

Interest income, net decreased by \$3.8 million, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This decrease is primarily driven by lower average interest rates and a lower average cash balance for the three months ended March 31, 2025.

| | Three months ended March 31, | | \$ Change | % Change |
|-------------------|------------------------------|--------|-----------|----------|
| | 2025 | 2024 | | |
| Other income, net | \$ 0.4 | \$ 0.4 | \$ — | — % |

Other income (expense), remained flat for the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

Income tax (expense) benefit

| | Three months ended March 31, | | \$ Change | % Change |
|--------------------|------------------------------|----------|-----------|----------|
| | 2025 | 2024 | | |
| Income tax expense | \$ (5.4) | \$ (2.0) | \$ (3.5) | 176 % |

Income tax expense increased by \$3.5 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The change was primarily due to the realization of U.S. deferred tax expense because of valuation allowance release as of December 31, 2024 and increased book income.

Liquidity and Capital Resources

Our operations have been financed primarily through equity financing and cash flow from operating activities. As of March 31, 2025, we had cash and cash equivalents of \$87.6 million and marketable securities of \$442.3 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 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 each of November 8, 2023, March 21, 2024 and August 5, 2024, the Company announced that its Board authorized a \$100 million increase to its existing Class A Common Stock share repurchase program, and in February 2025, the Company announced that its Board authorized an additional \$200 million increase. 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 three months ended March 31, 2025, the Company repurchased 4,267,758 shares for \$101.7 million. The repurchased shares were retired. As of March 31, 2025, \$151.1 million remains available under the repurchase authorization.

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, including 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, including the Company.

On February 21, 2025, the Company announced that its Board declared a quarterly dividend of \$0.125 per share and a special cash dividend of \$0.27 per share, payable on March 18, 2025 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on March 10, 2025. The Company funded the quarterly dividend from proportionate cash distributions by Alclear to all of its members, including the Company. The Company funded the payment of the special cash dividend with cash held by the Company following its receipt of tax distributions made by Alclear.

On May 6, 2025, the Company announced that its Board declared a quarterly dividend of \$0.125 per share, payable on June 17, 2025 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on June 10, 2025 (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. In November 2024, the Company entered into Amendment No. 3 to the Credit Agreement to increase the letter of credit sublimit from \$35 million to \$50 million.

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 March 31, 2025, the Company had a remaining borrowing capacity of \$66.4, net of standby letters of credit, and had no outstanding debt obligations. As of March 31, 2025, the Company was in compliance with all of the financial and non-financial covenants of the Credit Agreement. Refer to [Note 19](#) within the condensed consolidated financial statements for further details.

Cash Flow

The following summarizes our cash flows for the three months ended March 31, 2025 and 2024 (in millions):

| | Three months ended March 31, | | |
|---|------------------------------|----------------|----------------|
| | 2025 | 2024 | \$ Change |
| Net cash provided by operating activities | \$ 98.3 | \$ 80.3 | \$ 18.0 |
| Net cash provided by (used in) investing activities | 93.3 | 26.2 | 67.1 |
| Net cash used in financing activities | (171.3) | (101.3) | (70.0) |
| Net increase in cash, cash equivalents, and restricted cash | 20.3 | 5.3 | 15.0 |
| Cash, cash equivalents, and restricted cash, beginning of year | 70.3 | 62.4 | 7.9 |
| Net exchange differences on cash, cash equivalents, and restricted cash | — | — | — |
| Cash, cash equivalents, and restricted cash, end of period | \$ 90.7 | \$ 67.7 | \$ 23.0 |

Cash flows from operating activities

For the three months ended March 31, 2025, net cash provided by operating activities was \$98.3 million compared to net cash provided by operating activities of \$80.3 million for the three months ended March 31, 2024, an increase of \$18.0 million primarily due to higher net income and year-over-year favorable changes in working capital of \$12.9 million driven by higher partnership liabilities offset by a decrease in non-cash adjustments to net income of \$1.4 million.

Cash flows from investing activities

For the three months ended March 31, 2025 net cash provided by investing activities was \$93.3 compared to net cash provided by in investing activities of \$26.2 for the three months ended March 31, 2024, an increase of \$67.1 million. The change was primarily due to an increase in the net sales of marketable securities of \$70.2 million and a decrease in strategic investments of \$1.0 million offset by an increase in capital expenditures of \$4.3 million.

Cash flows from financing activities

For the three months ended March 31, 2025, net cash used in financing activities was \$171.3 million compared to net cash used in financing activities of \$101.3 million for the three months ended March 31, 2024, an increase of \$70.0 million. The change was primarily due to an increase in the amounts used to repurchase Class A Common Stock of \$16.9 million and an increase in payments of dividends and distributions of \$52.5 million.

Commitments and Contingencies

We have non-cancelable operating lease arrangements for office space. As of March 31, 2025, we had future minimum payments of \$188.4 million, with \$14.8 million due within twelve months.

We have and continue to enter into agreements with airports for access to floor and office space. As of March 31, 2025, we had future minimum payments of \$64.0 million.

We have commitments for future marketing expenditures to sports stadiums of \$2.0 million as of March 31, 2025.

We are subject to certain minimum spend commitments of approximately \$11.4 million over the next three years 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. The Company’s critical accounting policies and estimates are described under the heading “Management’s Discussion and Analysis of Financial Condition and results of Operations” in our Annual Report on Form 10-K. Refer to [Note 2](#) within the condensed consolidated financial statements for further information.

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 \$87.6 million as of March 31, 2025. 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 March 31, 2025, we had no outstanding borrowings under the revolving credit facility.

Investments in Marketable Securities

We had marketable securities totaling \$442.3 million as of March 31, 2025. 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 \$2.9 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 USD. Since the majority of our business is transacted in the U.S. dollar, foreign currency transaction and translation risk was insignificant for the three months ended March 31, 2025.

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 March 31, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the quarter ended March 31, 2025, 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 Securities and Exchange Commission’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 March 31, 2025 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

During the three months ended March 31, 2025, 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 90,950 shares of Class A Common Stock.

Issuer Purchases of Equity Securities

Below is a summary of the repurchases during the three months ended March 31, 2025 (in millions, except share and per share amounts):

| Period | Total Number of Shares Purchased | Average Price Paid per Share¹ | 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 Program¹ |
|--------------------------------------|---|---|---|---|
| January 1, 2025 - January 31, 2025 | 270,833 | \$ 23.90 | 270,833 | \$ 46 |
| February 1, 2025 - February 28, 2025 | 1,647,606 | \$ 22.60 | 1,647,606 | \$ 209 |
| March 1, 2025 - March 31, 2025 | 2,349,319 | \$ 24.35 | 2,349,319 | \$ 151 |
| Total | 4,267,758 | \$ 23.82 | 4,267,758 | |

¹Excludes commissions

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 increased on November 8, 2023, March 21, 2024, August 5, 2024, and February 2025. The share repurchase program provides for the purchase by the Company of up to \$600 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 March 31, 2025, \$151,092 remains 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 March 31, 2025, 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."

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 |
|-----------------------|---|
| 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) |

**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: May 8, 2025 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, Jennifer Hsu, 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:

May 8, 2025

By:

/s/ Jennifer Hsu

Jennifer Hsu
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 March 31, 2025 (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: May 8, 2025 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, Jennifer Hsu, 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 March 31, 2025 (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: May 8, 2025 By: /s/ Jennifer Hsu
Jennifer Hsu
Chief Financial Officer
(Principal Financial Officer)