UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 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	**86-2643981**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
85 10th Avenue, 9th Floor, New York, NY	**10011**
(Address of Principal Executive Offices)	(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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 July 31, 2025:

Class A Common Stock par value $0.00001 per share (the "Class A Common Stock")	95,330,547
Class B Common Stock par value $0.00001 per share (the "Class B Common Stock")	551,787
Class C Common Stock par value $0.00001 per share (the "Class C Common Stock")	17,413,114
Class D Common Stock par value $0.00001 per share (the "Class D Common Stock")	19,630,246

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CLEAR SECURE, INC.

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

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 89,305	$ 66,892
Marketable securities	516,425	542,605
Accounts receivable	1,054	511
Prepaid revenue share fee	23,857	24,652
Prepaid expenses and other current assets	22,924	27,558
Total current assets	653,565	662,218
Property and equipment, net	53,877	56,869
Right of use asset, net	103,143	108,885
Intangible assets, net	11,296	15,300
Goodwill	62,684	62,757
Restricted cash	2,774	3,456
Other assets	292,693	285,447
Total assets	**$ 1,180,032**	**$ 1,194,932**
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 6,760	$ 18,020
Accrued liabilities	303,894	185,281
Deferred revenue	438,923	439,753
Total current liabilities	749,577	643,054
Other long term liabilities	303,767	313,938
Total liabilities	1,053,344	956,992
Commitments and contingencies (Note 16)		
Class A Common Stock, $0.00001 par value - 1,000,000,000 shares authorized; 93,784,994 shares issued and outstanding as of June 30, 2025 and 96,794,826 shares issued and outstanding as of December 31, 2024	1	1
Class B Common Stock, $0.00001 par value - 100,000,000 shares authorized; 551,787 shares issued and outstanding as of June 30, 2025 and 677,234 shares issued and outstanding as of December 31, 2024	—	—
Class C Common Stock, $0.00001 par value - 200,000,000 shares authorized; 18,913,114 shares issued and outstanding as of June 30, 2025 and 15,287,620 shares issued and outstanding as of December 31, 2024	—	—
Class D Common Stock, $0.00001 par value - 100,000,000 shares authorized; 19,630,246 shares issued and outstanding as of June 30, 2025 and 24,896,690 shares issued and outstanding as of December 31, 2024	—	—
Accumulated other comprehensive income	587	343
Treasury stock at cost, 0 shares as of June 30, 2025 and December 31, 2024	—	—
Retained earnings	85,087	83,778
Additional paid-in capital	35,664	114,231
Total stockholders' equity attributable to Clear Secure, Inc.	121,339	198,353
Non-controlling interest	5,349	39,587
Total stockholders' equity	126,688	237,940
Total liabilities and stockholders' equity	**$ 1,180,032**	**$ 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	**$ 219,467**	**$ 186,745**	**$ 430,835**	**$ 365,794**
Operating expenses:				
Cost of revenue share fee	31,198	26,093	60,765	50,457
Cost of direct salaries and benefits	47,699	40,085	98,441	80,373
Research and development	18,229	17,411	37,228	37,515
Sales and marketing	14,485	11,007	27,871	22,629
General and administrative	58,532	55,371	113,270	108,261
Depreciation and amortization	6,768	6,441	13,300	12,533
Operating income	**42,556**	**30,337**	**79,960**	**54,026**
Other income (expense):				
Interest income, net	5,805	8,247	11,958	18,172
Other income, net	(4,055)	416	(3,607)	855
Income before tax	**44,306**	**39,000**	**88,311**	**73,053**
Income tax expense	(6,431)	(409)	(11,853)	(2,374)
Net income	**37,875**	**38,591**	**76,458**	**70,679**
Less: net income attributable to non-controlling interests	13,153	14,472	26,331	27,754
Net income attributable to Clear Secure, Inc.	**$ 24,722**	**$ 24,119**	**$ 50,127**	**$ 42,925**
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	$ 0.26	$ 0.53	$ 0.46
Net income per common share basic, Class B	$ 0.26	$ 0.26	$ 0.53	$ 0.46
Net income per common share diluted, Class A	$ 0.26	$ 0.26	$ 0.52	$ 0.46
Net income per common share diluted, Class B	$ 0.26	$ 0.26	$ 0.52	$ 0.46
Weighted-average shares of Class A Common Stock outstanding, basic	92,990,661	91,984,045	94,150,710	91,907,842
Weighted-average shares of Class B Common Stock outstanding, basic	612,443	907,234	644,659	907,234
Weighted-average shares of Class A Common Stock outstanding, diluted	94,418,159	92,605,019	95,667,917	92,645,417
Weighted-average shares of Class B Common Stock outstanding, diluted	612,443	907,234	644,659	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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	$ 37,875	$ 38,591	$ 76,458	$ 70,679
Other comprehensive income (loss)				
Currency translation	133	—	112	—
Unrealized gain (loss) on fair value of marketable securities	(41)	(1,227)	234	(4,210)
Total other comprehensive income (loss)	92	(1,227)	346	(4,210)
Comprehensive income	**37,967**	**37,364**	**76,804**	**66,469**
Less: comprehensive income attributable to non-controlling interests	13,180	14,021	26,433	26,155
Comprehensive income attributable to Clear Secure, Inc.	**$ 24,787**	**$ 23,343**	**$ 50,371**	**$ 40,314**

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				Treasury Stock					
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Additional paid in capital	Accumulated other comprehensive loss	Number of shares	Amount	Retained Earnings	Total stockholders' equity attributable to Clear Secure, Inc.	Non-controlling interest	Total stockholders' equity
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 dividend	—	—	—	—	—	—	—	—	—	—	—	—	(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**
Net income	—	—	—	—	—	—	—	—	—	—	—	—	24,722	24,722	13,153	37,875
Other comprehensive income	—	—	—	—	—	—	—	—	—	65	—	—	—	65	27	92
Equity-based compensation expense, net of forfeitures	—	—	—	—	—	—	—	—	7,340	—	—	—	—	7,340	3,071	10,411
Net share settlements of stock-based awards	200,002	—	—	—	—	—	—	—	(1,343)	—	—	—	—	(1,343)	(975)	(2,318)
Distribution to members	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,828)	(4,828)
Tax distribution to members	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(6,253)	(6,253)
Exchange of shares	1,675,447	—	(125,447)	—	3,716,444	—	(5,266,444)	—	2,437	—	—	—	—	2,437	(2,437)	—
Dividends	—	—	—	—	—	—	—	—	—	—	—	—	(11,782)	(11,782)	—	(11,782)
Tax Receivable Agreement and related changes to deferred tax assets associated with adjustments in tax basis	—	—	—	—	—	—	—	—	1,915	—	—	—	—	1,915	—	1,915
Repurchase and retirement of Class A Common Stock	(1,026,840)	—	—	—		—	—	—	(18,705)	—	—	—	—	(18,705)	(5,707)	(24,412)
Balance, June 30, 2025	**93,784,994**	**$ 1**	**551,787**	**$ —**	**18,913,114**	**$ —**	**19,630,246**	**$ —**	**$ 35,664**	**$ 587**	**—**	**$ —**	**$ 85,087**	**$ 121,339**	**$ 5,349**	**$ 126,688**

See notes to condensed consolidated financial statements

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

See notes to condensed consolidated financial statements

CLEAR SECURE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(dollars in thousands)

	Six Months Ended June 30,	
	2025	**2024**
Operating activities:		
Net income	$ 76,458	$ 70,679
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation of property and equipment	11,142	10,728
Amortization of intangible assets	2,158	1,805
Noncash lease expense	3,219	3,180
Impairment of strategic investment	4,719	—
Equity-based compensation	18,091	20,895
Deferred income tax	934	28
Amortization of revolver loan costs	66	136
Gain on divestiture of a business	(635)	—
Premium amortization and (discount accretion), net on marketable securities	(85)	(4,489)
Changes in operating assets and liabilities:		
Accounts receivable	(708)	(598)
Prepaid expenses and other assets	6,683	(656)
Prepaid revenue share fee	795	1,811
Accounts payable	(6,871)	(2,624)
Accrued and other long term liabilities	112,439	85,030
Deferred revenue	(824)	11,768
Operating lease liabilities	(6,250)	(2,760)
Net cash provided by operating activities	**$ 221,331**	**$ 194,933**
Investing activities:		
Purchases of marketable securities	(242,914)	(356,079)
Sales of marketable securities	269,466	391,044
Proceeds from divestiture	2,700	—
Purchase of strategic investment	(514)	(1,000)
Purchases of property and equipment	(12,147)	(7,216)
Purchases of intangible assets	—	(318)
Net cash provided by investing activities	**$ 16,591**	**$ 26,431**
Financing activities:		
Repurchase of Class A Common Stock	(126,345)	(150,000)
Payment of dividend	(23,502)	(17,820)
Payment of special dividend	(25,316)	(28,828)
Distributions to members	(9,839)	(15,582)
Tax distribution to members	(25,986)	(24,100)
Payment of taxes on net settled stock-based awards	(4,939)	(4,614)
Other financing activities	(334)	(153)
Net cash used in financing activities	**$ (216,261)**	**$ (241,097)**
Net increase (decrease) in cash, cash equivalents, and restricted cash	21,661	(19,733)
Cash, cash equivalents, and restricted cash, beginning of period	70,348	62,401
Exchange rate effect on cash and cash equivalents, and restricted cash	70	37
Cash, cash equivalents, and restricted cash, end of period	**$ 92,079**	**$ 42,705**

	June 30, 2025	June 30, 2024
Cash and cash equivalents	$ 89,305	$ 39,108
Restricted cash	2,774	3,597
Total cash, cash equivalents, and restricted cash	**$ 92,079**	**$ 42,705**

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 at62 airports and 207 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 business to business (“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.

(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 and six months ended June 30, 2025 and 2024, no individual airport accounted for more than 10% of membership revenue.

Revenue by Geography

For the three and six months ended June 30, 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 six months ended June 30, 2025.

	2025
Balance as of January 1	$ 439,753
Deferral of revenue	415,981
Recognition of deferred revenue	(416,811)
Balance as of June 30	**$ 438,923**

The Company has obligations for refunds and other similar items of $3,743 as of June 30, 2025 recorded within accrued liabilities.

During the six months ended June 30, 2025 and 2024, the Company recognized $338,311 and $273,062, respectively, of revenue which was included in the opening deferred revenue balances.

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of June 30, 2025 and December 31, 2024 consist of the following:

	June 30, 2025	December 31, 2024
Prepaid software licenses	$ 11,051	$ 12,002
Prepaid insurance costs	601	2,443
Other current assets	11,272	13,113
Total	**$ 22,924**	**$ 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.

(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:

	June 30, 2025	December 31, 2024
Due within 1 year	$ 351,873	$ 365,655
Due after 1 year through 2 years	164,552	176,950
Total marketable securities	**$ 516,425**	**$ 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 June 30, 2025 and December 31, 2024.

	As of June 30, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Level
Commercial paper	$ 3,440	$ —	$ (5)	$ 3,435	2
U.S. Treasuries	100,008	69	(126)	99,951	1
Corporate bonds	280,090	667	(85)	280,672	2
Money market funds measured at NAV (a)	132,367	—	—	132,367	N/A
Total marketable securities	**$ 515,905**	**$ 736**	**$ (216)**	**$ 516,425**	

(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 June 30, 2025,none were in a continuous unrealized loss position for 12 months or longer. The Company had no continuous unrealized loss positions in relation to marketable securities as of June 30, 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 June 30, 2025 and December 31, 2024 consist of the following:

	Depreciation Period in Years	June 30, 2025	December 31, 2024
Internally developed software	3 - 5	$ 74,776	$ 68,532
Acquired software	3	6,441	6,441
Equipment	5	51,893	42,419
Leasehold improvements	1 - 15	8,120	8,120
Furniture and fixtures	5	14,157	13,991
Construction in progress		895	8,755
Total property and equipment, cost		156,282	148,258
Less: accumulated depreciation		(102,405)	(91,389)
Total property and equipment, net		**$ 53,877**	**$ 56,869**

Depreciation and amortization expense related to property and equipment for the three months ended June 30, 2025 and 2024 was $5,710 and $5,560, respectively, and $11,142 and $10,728 for the six months ended June 30, 2025 and 2024, respectively.

During the three months ended June 30, 2025 and 2024, $4,071 and 1,756 , respectively, were capitalized in connection with internally developed software inclusive of $118 and $241 of equity-based compensation, respectively. During the six months ended June 30, 2025 and 2024, $6,244 and $3,583, respectively, were capitalized in connection with internally developed software inclusive of $323 and $445 of equity-based compensation, respectively.

Amortization expense on internally developed software was $3,151 and $3,254 for the three months ended June 30, 2025 and 2024, respectively, and $6,462 and $6,416 for the six months ended June 30, 2025 and 2024, respectively.

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

During the three and six months ended June 30, 2025 and 2024, the Company recognized no impairment charges related to its property and equipment, net.

Purchases of property and equipment with unpaid costs in accounts payable and accrued liabilities as of June 30, 2025 were $416 and $57, respectively, and $450 and $115 as of June 30, 2024, respectively.

7. Leases

Cash paid for amounts included in the measurement of operating lease liabilities for the three months ended June 30, 2025 and 2024 was $4,908 and $3,740, respectively, and $8,807 and $7,472 for the six months ended June 30, 2025 and 2024, respectively. The Company had $444 sublease income for both the three months ended June 30, 2025 and 2024, and $888 sublease income for both the six months ended June 30, 2025 and 2024, respectively.

8. Intangible Assets, net

See below for Intangible assets, net as of June 30, 2025 and December 31, 2024:

	Weighted Average Useful Life in Years	June 30, 2025	December 31, 2024
Patents	20.0	$ 2,518	$ 2,518
Acquired intangibles - technology	3.0	3,830	5,130
Acquired intangibles - customer relationships	5.7	15,770	18,370
Acquired intangibles - brand names	3.0	400	500
Indefinite lived intangible assets		310	310
Total intangible assets, cost		22,828	26,828
Less: accumulated amortization		(11,532)	(11,528)
Intangible assets, net		**$ 11,296**	**$ 15,300**

Amortization expense on intangible assets for the three months ended June 30, 2025 and 2024 was $1,058 and $881, respectively, and $2,158 and $1,805 for the six months ended June 30, 2025 and 2024, respectively. The Company did not recognize any impairment charges on intangible assets, net for any periods presented.

9. Restricted Cash

As of June 30, 2025 and December 31, 2024, the Company maintained bank deposits of $2,774 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 as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Coronavirus aid, relief, and economic security act retention credit	1,002	1,002
Strategic investment	2,795	7,000
Deferred tax asset	287,064	274,678
Other long-term assets	1,832	2,767
Total	**$ 292,693**	**$ 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.

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

As the investment does not have a readily determinable fair value, the Company elected the measurement alternative to record the investment at initial cost less impairments, if any, adjusted for observable changes in fair value for identical or similar investments of the same issuer. Adjustments resulting from these fluctuations are recorded within other income (expense) on the Company's condensed consolidated statements of operations. During the three and six months ended June 30, 2025, the Company recorded an impairment of $4.7 million in relation to its strategic investment due to a fair value adjustment.

11. Accrued Liabilities and Other Long Term Liabilities

Accrued liabilities consist of the following as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Accrued compensation and benefits	$ 13,997	$ 18,500
Accrued partnership liabilities	237,771	123,991
Lease liability	5,472	6,159
Tax receivable agreement liability - short term (See Note 15)	16,308	334
Other accrued liabilities	30,346	36,297
Total	**$ 303,894**	**$ 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 June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Deferred tax liability	$ 357	$ 948
Lease liability	109,534	115,096
Tax receivable agreement liability - long term (See Note 15)	192,200	196,468
Other long term liabilities	1,676	1,426
Total	**$ 303,767**	**$ 313,938**

12. Stockholders' Equity

Common Stock

The Company has issued 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 consists of 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 six months ended June 30, 2025, the Company repurchased and retired 5,294,598 shares of its Class A Common Stock for $126,345 at an average price of $23.86. As of June 30, 2025, $126,508 remained available under the repurchase authorization.

The Inflation Reduction Act imposes a tax of 1% on the fair market value of net stock repurchases made after December 31, 2022. During the six months ended June 30, 2025, the Company recorded an accrual of $727 related to this tax within its condensed consolidated financial statements. Refer to Note 15 for further information regarding the Inflation Reduction Act.

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.

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 Company funded the dividend from proportionate cash distributions by Alclear to all of its members, including the Company.

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

Non-Controlling Interest

The non-controlling interest balance represents the economic interest in Alclear held by our co-founder, Caryn Seidman Becker (the “Co-Founder”), and members of Alclear. The non-controlling interest holders have the right to exchange Alclear Units, together with a corresponding number of shares of Class C Common Stock for Class A Common Stock or Class D Common Stock for Class B Common Stock. As such, exchanges by non-controlling interest holders will result in a change in ownership and reduce the amount recorded as non-controlling interest and increase Class A Common Stock or B Common Stock and additional paid-in-capital for the Company. Upon the issuance of shares Class A Common Stock or B Common Stock, the Company issues a proportionate number of Alclear Units in conjunction with the terms of the Reorganization.

During the six months ended June 30, 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 1,766,397 shares of Class A Common Stock, including those issued in connection with the subsequent conversion of Class B Common Stock into shares of Class A Common Stock.

The non-controlling interest ownership percentage declined from 29.20% as of December 31, 2024 to 29.01% as of June 30, 2025.

(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 to20,000,000 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 subject to long-term revenue and cash-basis earnings performance hurdles. The Company determines the fair value of each RSU based on the grant date and records the expense over the vesting period or requisite service period on a straight-line basis and for performance-based vesting awards, whether they are probable or not.

The following is a summary of activity related to the RSUs associated with compensation arrangements during the six months ended June 30, 2025:

	RSU's	Weighted-Average Grant-Date Fair Value
Unvested balance as of January 1, 2025	3,823,077	$ 21.45
Granted	2,904,731	23.06
Vested	(717,288)	21.61
Forfeited	(963,604)	20.69
Unvested balance as of June 30, 2025	**5,046,916**	**$ 22.49**

The following is a schedule of the expected vesting period for unvested RSUs as ofJune 30, 2025:

	Unvested RSU's
Expected to vest within 1 year	1,874,065
Expected to vest between 1 to 2 years	1,569,772
Expected to vest between 2 to 3 years	1,603,079
Unvested balance as of June 30, 2025	**5,046,916**

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of direct salaries and benefits	$ 97	$ 154	$ 234	$ 280
Research and development	3,259	2,411	6,356	5,964
Sales and marketing	272	255	412	488
General and administrative	5,645	4,375	9,073	8,139
Total	**$ 9,273**	**$ 7,195**	**$ 16,075**	**$ 14,871**

As of June 30, 2025, estimated unrecognized expense for RSUs that are probable of vesting was $85,878 with such expense to be recognized over a weighted-average period of approximately 2.37 years.

Founder PSUs

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

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

As of June 30, 2025, estimated unrecognized expense for Founder PSUs was none.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
RSUs	9,273	7,195	16,075	14,871
Founder PSUs	1,019	3,035	2,016	6,024
Total	**$ 10,292**	**$ 10,230**	**$ 18,091**	**$ 20,895**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of direct salaries and benefits	$ 97	$ 154	$ 234	$ 280
Research and development	3,259	2,411	6,356	5,964
Sales and marketing	272	256	412	488
General and administrative	6,664	7,409	11,089	14,163
Total	**$ 10,292**	**$ 10,230**	**$ 18,091**	**$ 20,895**

(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 June 30, 2025		Three Months Ended June 30, 2024	
	Class A	Class B	Class A	Class B
Basic:				
Net income attributable to Clear Secure, Inc.	$ 24,560	$ 162	$ 23,884	$ 236
Weighted-average number of shares outstanding, basic	92,990,661	612,443	91,984,045	907,234
Net income per common share, basic:	**$ 0.26**	**$ 0.26**	**$ 0.26**	**$ 0.26**
Diluted:				
Net income attributable to Clear Secure, Inc. used to calculate net income per common share, basic	$ 24,560	$ 162	$ 23,884	$ 236
Add: reallocation of net income to Clear Secure, Inc. to reflect dilutive impact	57	(2)	31	(1)
Net income attributable to Clear Secure, Inc. used to calculate net income per common share, diluted	24,617	160	23,915	234
Weighted-average number of shares outstanding used to calculate net income per common share, basic	92,990,661	612,443	91,984,045	907,234
Effect of dilutive shares	1,427,498	—	620,974	—
Weighted-average number of shares outstanding, diluted	94,418,159	612,443	92,605,019	907,234
Net income per common share, diluted:	**$ 0.26**	**$ 0.26**	**$ 0.26**	**$ 0.26**

	Six Months Ended June 30, 2025		Six Months Ended June 30, 2024	
	Class A	Class B	Class A	Class B
Basic:				
Net income attributable to Clear Secure, Inc.	$ 49,785	$ 341	$ 42,507	$ 419
Weighted-average number of shares outstanding, basic	94,150,710	644,659	91,907,842	907,234
Net income per common share, basic:	**$ 0.53**	**$ 0.53**	**$ 0.46**	**$ 0.46**
Diluted:				
Net income attributable to Clear Secure, Inc. used to calculate net income per common share, basic	$ 49,785	$ 341	$ 42,507	$ 419
Add: reallocation of net income to Clear Secure, Inc. to reflect dilutive impact	215	(4)	218	(1)
Net income attributable to Clear Secure, Inc. used to calculate net income per common share, diluted	50,000	337	42,725	418
Weighted-average number of shares outstanding used to calculate net income per common share, basic	94,150,710	644,659	91,907,842	907,234
Effect of dilutive shares	1,517,207	—	737,575	—
Weighted-average number of shares outstanding, diluted	95,667,917	644,659	92,645,417	907,234
Net income per common share, diluted:	**$ 0.52**	**$ 0.52**	**$ 0.46**	**$ 0.46**

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 and six months ended June 30, 2025 and 2024:

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

	Three and Six Months Ended June 30, 2025	
	Class A	Class B
Exchangeable Alclear Units	18,913,114	19,630,246
RSU's	155,721	—
Total	**19,068,835**	**19,630,246**

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

For both the three and six months ended June 30, 2025, the Company has excluded 5,077,231 potentially dilutive shares from the tables above as they had performance conditions that were not achieved as of the end of the periods above.

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 $6,431 on a pretax income of $44,306 for the three months ended June 30, 2025 as compared to a tax expense of $409 on a pretax income of $39,000 for the three months ended June 30, 2024. This resulted in an effective tax rate of 14.5% for the three months ended June 30, 2025 as compared to 1.0% percent for the three months ended June 30, 2024. The Company reported a tax expense of $11,853 on a pretax income of $88,311 for the six months ended June 30, 2025, as compared to a tax expense of $2,374 on a pretax income of $73,053 for the six months ended June 30, 2024. This resulted in an effective tax rate of 13.4% for the six months ended June 30, 2025 as compared to 3.2% for the six months ended June 30, 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 $8,304 and $8,824, respectively, in estimated income taxes for the three and six months ended June 30, 2025, respectively.

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 six months ended June 30, 2025, the Company repurchased 5,294,598 shares of its Class A Common Stock and recorded a liability of $727 related to the 1% excise tax on the fair market value of net stock repurchases made as of June 30, 2025.

Recent U.S. Tax Legislation

On July 4, 2025, the One Big Beautiful Bill Act was signed into law, which includes significant changes to federal tax law and other regulatory provisions that may impact the Company. The Company is currently evaluating the provisions of the new law and the potential effects on its financial position, results of operations, and cash flows. As of the date of these financial statements, the Company has not completed its assessment, and therefore no adjustments have been made. Additional disclosures will be provided in future periods as the impact of the legislation is determined.

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 Common Stock, as the case may be, from the Alclear Members (or their transferees or other assignees) or (b) payments under the TRA, and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the TRA. The Company will retain the benefit of the remaining 15% of these net cash savings.

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

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

During the six months ended June 30, 2025, the Company issued1,640,950 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 TRA mirrors the recognition related to its deferred tax assets. As of June 30, 2025, the Company has recognized the deferred tax asset of $245,303 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 $208,508 of which $16,308 is expected to be paid within twelve months June 30, 2025 and is recorded within accrued expenses in the accompanying balance sheet.

Tax Distributions

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

For the six months ended June 30, 2025, Alclear paid tax distributions totaling $25,986 to holders of Alclear Units other than Clear Secure, Inc. and the state tax authorities, and recorded a liability of $4,809 to holders of Alclear Units other than the Company.

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

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 $9,172 over the next three years under certain service arrangements.

In conjunction with the Company's revenue share agreements with the airports, certain agreements contain minimum annual contracted fees.These future minimum payments are as follows as of June 30, 2025:

2025	$	17,593
2026		22,125
2027		13,857
2028		10,646
2029		2,416
Thereafter		921
Total	**$**	**67,558**

The Company has commitments for future marketing expenditures to sports stadiums of $3,879 through 2027. For the three months ended June 30, 2025 and 2024, marketing expenses related to sports stadiums were $1,483 and $1,167, respectively. For the six months ended June 30, 2025 and 2024 marketing expenses related to sports stadiums were $2,747 and $2,416, respectively.

17. Related Party Transactions

As of June 30, 2025, and December 31, 2024, the Company had total payables to certain related parties of none and $3,540, respectively. For the three months ended June 30, 2025 and 2024, the Company recorded none and $2,716, respectively, in cost of revenue share fee within the condensed consolidated statements of operations, in connection with certain related parties. The entity previously disclosed as a related party in prior periods no longer meets the criteria for classification as a related party as of June 30, 2025.

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 June 30, 2025 and 2024, the Company recorded expense of $1,199 and $446, respectively, within the condensed consolidated statements of operations. For the six months ended June 30, 2025 and 2024, the Company recorded expense of $2,601 and $1,348, 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 (the "Credit Agreement"). 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 June 30, 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.

As of June 30, 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 June 30, 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 Maker ("CODM"), who is the Chief Executive Officer, evaluates financial performance and results and allocates resources based on the 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 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 and six months ended June 30, 2025 and 2024.

21. Subsequent Events

Quarterly Dividend

On August 5, 2025, the Company announced that its Board declared a quarterly dividend of $0.125 per share, payable on September 17, 2025 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on September 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.

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 curb-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 June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Total Bookings (in millions)	$ 222.9	$ 197.0	$ 25.9	13%	$ 430.1	$ 377.6	$ 52.5	14%

Total Bookings increased by $25.9 million, or 13%, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The increase was primarily driven by growth in Active CLEAR+ Members as well as price increases.

Total Bookings increased by $52.5 million, or 14%, for the six months ended June 30, 2025 compared to the six months ended June 30, 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 activated a payment method at any time, plus associated family accounts. Management views this metric as an important tool to analyze the efficacy of our growth and marketing initiatives as new Members are potentially a current and leading indicator of revenues.

	As of June 30,			
	2025	2024	Change	% Change
Total Cumulative Enrollments (in thousands)	33,472	24,221	9,251	38%

Total Cumulative Enrollments were 33,472 as of June 30, 2025 and 24,221 as of June 30, 2024, which represented a 38% 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 June 30,			
	2025	2024	Change	% Change
Total Cumulative Platform Uses (in thousands)	264,830	206,673	58,157	28%

Total Cumulative Platform Uses was 264,830 as of June 30, 2025 and 206,673 as of June 30, 2024, which represented a 28% 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 June 30,		
	2025	**2024**	**% Change**
Active CLEAR+ Members	7,626	7,095	7%

Active CLEAR+ Members was 7,626 as of June 30, 2025 and 7,095 as of June 30, 2024, which represented a 7% 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 June 30,		
	2025	**2024**	**% Change**
Annual CLEAR+ Gross Dollar Retention	87.3%	89.3%	(2.0%)

Annual CLEAR+ Gross Dollar Retention was 87.3% as of June 30, 2025 and 89.3% as of June 30, 2024, a year-over-year decrease of 2.0%. 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 June 30,		
	2025	**2024**	**% Change**
Annual CLEAR+ Member Usage	7.0x x	7.4x	(5%)

Annual Usage was 7.0x as of June 30, 2025 and 7.4x as of June 30, 2024, which represented a 5% 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Net income	$ 37,875	$ 38,591	$ 76,458	$ 70,679
Income tax (benefit) expense	6,431	409	11,853	2,374
Interest income, net	(5,805)	(8,247)	(11,958)	(18,172)
Other expense, net	4,499	28	4,504	33
Depreciation and amortization	6,768	6,441	13,300	12,533
Equity-based compensation expense	10,292	10,230	18,091	20,895
Adjusted EBITDA	**$ 60,060**	**$ 47,452**	**$ 112,248**	**$ 88,342**
Revenue	$ 219,467	$ 186,745	$ 430,835	$ 365,794
Net income Margin	17.3 %	20.7 %	17.7 %	19.3 %
Adjusted EBITDA Margin	**27.4 %**	**25.4 %**	**26.1 %**	**24.2 %**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Net cash provided by operating activities	$ 122,984	$ 114,584	$ 221,331	$ 194,933
Purchases of property and equipment	(5,063)	(4,440)	(12,147)	(7,216)
Free Cash Flow	**$ 117,921**	**$ 110,144**	**$ 209,184**	**$ 187,717**

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 from CLEAR+ Members 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 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 and six months ended June 30, 2025 and 2024 (in millions):

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	$ Change	% Change
Revenue	**$ 219.5**	**$ 186.7**	**$ 32.7**	**18 %**
Operating expenses:				
Cost of revenue share fee	31.2	26.1	5.1	20 %
Cost of direct salaries and benefits	47.7	40.1	7.6	19 %
Research and development	18.2	17.4	0.8	5 %
Sales and marketing	14.5	11.0	3.5	32 %
General and administrative	58.5	55.4	3.2	6 %
Depreciation and amortization	6.8	6.4	0.3	5 %
Operating income	**42.6**	**30.3**	**12.2**	**40 %**
Other income (expense)				
Interest income, net	5.8	8.2	(2.4)	(30) %
Other income, net	(4.1)	0.4	(4.5)	(1075) %
Income before tax	**44.3**	**39.0**	**5.3**	**14 %**
Income tax expense	(6.4)	(0.4)	(6.0)	1472 %
Net income	**$ 37.9**	**$ 38.6**	**$ (0.7)**	**(2)%**

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	$ Change	% Change
Revenue	**$ 430.8**	**$ 365.8**	**$ 65.0**	**18 %**
Operating expenses:				
Cost of revenue share fee	60.8	50.5	10.3	20 %
Cost of direct salaries and benefits	98.4	80.4	18.0	22 %
Research and development	37.2	37.5	(0.3)	(1) %
Sales and marketing	27.9	22.6	5.3	23 %
General and administrative	113.3	108.3	5.0	5 %
Depreciation and amortization	13.3	12.5	0.8	6 %
Operating income	**80.0**	**54.0**	**26.0**	**48 %**
Other income (expense)				
Interest income, net	12.0	18.2	(6.2)	(34) %
Other income, net	(3.6)	0.9	(4.5)	(522) %
Income before tax	**88.3**	**73.1**	**15.2**	**21 %**
Income tax expense	(11.9)	(2.4)	(9.5)	399 %
Net income	**$ 76.5**	**$ 70.7**	**$ 5.8**	**8 %**

Information about our operating results for the three and six months ended June 30, 2025 compared to the three and six months ended June 30, 2024 is set forth below:

Revenue

	Three Months Ended June 30, 2025	2024	$ Change	% Change	Six Months Ended June 30, 2025	2024	$ Change	% Change
Revenue	$ 219.5	$ 186.7	$ 32.7	18 %	$ 430.8	$ 365.8	$ 65.0	18 %

Revenue increased by $32.7 million, or 18%, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The change was primarily due to a 7% increase in the number of CLEAR+ Members as of June 30, 2025 compared to June 30, 2024 and increases to the price of CLEAR+ membership compared to the price as of June 30, 2024.

Approximately 27% and 29%, respectively, of paying CLEAR+ Members were on a family plan as of June 30, 2025 and 2024, respectively.

Revenue increased by $65.0 million, or 18%, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The change was primarily due to a 7% increase in the number of CLEAR+ Members as of June 30, 2025 compared to June 30, 2024 and increases to the price of a CLEAR+ membership compared to the price as of June 30, 2024. Approximately 27% and 29%, respectively, of paying CLEAR+ Members were on a family plan as of June 30, 2025 and 2024, respectively.

Cost of revenue share fee

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Cost of revenue share fee	$ 31.2	$ 26.1	$ 5.1	20 %	$ 60.8	$ 50.5	$ 10.3	20 %

Cost of revenue share fee increased by $5.1 million, or 20%, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The change was driven primarily by an increase of $2.0 million, or a 23% increase, in fixed airport fees and $3.1 million, or a 18% increase, in per Member fees. COVID-related concessions reduced Cost of revenue share fee by none and $0.6 million in the three months ended June 30, 2025 and 2024, respectively.

Cost of revenue share fee increased by $10.3 million, or 20%, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The change was driven primarily by an increase of $3.8 million, or a 24% increase, in fixed airport fees and $6.5 million, or a 19% increase, in per Member fees. COVID-related concessions reduced Cost of revenue share fee by none and $2.4 million in the six months ended June 30, 2025 and 2024, respectively.

Cost of direct salaries and benefits

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Cost of direct salaries and benefits	$ 47.7	$ 40.1	$ 7.6	19 %	$ 98.4	$ 80.4	$ 18.0	22 %

Cost of direct salaries and benefits expenses increased by $7.6 million, or 19%, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The change was primarily due to increased employee compensation costs of $7.1 million caused by wage increases, a change to our Ambassador compensation structure, and higher average employee count.

Cost of direct salaries and benefits expenses increased by $18.0 million, or 22%, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The change was primarily due to increased employee compensation costs of $16.5 million caused by wage increases, a change to our compensation structure and higher average employee count.

Research and development

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Research and development	$ 18.2	$ 17.4	$ 0.8	5 %	$ 37.2	$ 37.5	$ (0.3)	(1) %

Research and development expenses increased by $0.8 million, or 5%, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The change was primarily due to $0.9 million of increased employee compensation costs.

Research and development expenses decreased by $0.3 million, or 1%, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The change was primarily due to a decrease in employee compensation costs of $0.7 million, inclusive of $1.3 million in severance related to the closure of our Israel office during the six months ended June 30, 2024. The decrease was partially offset by a $0.2 million increase in technology costs and $0.2 million higher professional fees.

Sales and marketing

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Sales and marketing	$ 14.5	$ 11.0	$ 3.5	32 %	$ 27.9	$ 22.6	$ 5.3	23 %

Sales and marketing expenses increased by $3.5 million, or 32%, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The change was driven primarily by $2.3 million of higher discretionary marketing expense, $0.2 million of higher professional fees, and $0.1 million of higher employee compensations costs.

Sales and marketing expenses increased by $5.3 million, or 23%, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The change was driven primarily by $5.0 million of higher discretionary marketing expense and $0.5 million of higher employee compensation costs, partially offset by a $0.9 million decrease in commissions resulting from changes to our Ambassador compensation structure.

General and administrative

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
General and administrative	$ 58.5	$ 55.4	$ 3.2	6 %	$ 113.3	$ 108.3	$ 5.0	5 %

General and administrative expenses increased by $3.2 million, or 6%, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The change was primarily driven by a $1.7 million increase in credit card fees due to higher bookings, $0.8 million of higher employee compensation costs and $0.4 million of higher professional fees.

General and administrative expenses increased by $5.0 million, or 5%, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The change was primarily driven by a $3.3 million increase in credit card fees due to higher bookings and $1.9 million of higher professional fees, partially offset by a $0.9 million decrease in employee compensation costs.

Other income (expense)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Interest income, net	$ 5.8	$ 8.2	$ (2.4)	(30) %	$ 12.0	$ 18.2	$ (6.2)	(34) %

Interest income, net decreased by $2.4 million, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. This decrease was primarily driven by lower average interest rates and a lower average cash balances for the three months ended June 30, 2025.

Interest income, net decreased by $6.2 million, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. This decrease was primarily driven by lower average interest rates and a lower average cash balances for the six months ended June 30, 2025.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Other income, net	$ (4.1)	$ 0.4	$ (4.5)	(1075)%	$ (3.6)	$ 0.9	$ (4.5)	(522)%

Other income, net decreased by $4.5 million, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The change was driven primarily by the impairment of $4.7 million to the Company's strategic investment due to a fair value adjustment.

Other income, net decreased by $4.5 million, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The change was driven primarily by the impairment of $4.7 million to the Company's strategic investment due to a fair value adjustment.

Income tax expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	**2024**	**$ Change**	**% Change**	**2025**	**2024**	**$ Change**	**% Change**
Income tax expense	**$ (6.4)**	$ (0.4)	$ (6.0)	1472 %	$ (11.9)	$ (2.4)	$ (9.5)	399 %

Income tax expense increased by $6.0 million, for the three months ended June 30, 2025 compared to the three months ended June 30, 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.

Income tax expense increased by $9.5 million, for the six months ended June 30, 2025 compared to the six months ended June 30, 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 cash flow from operating activities. As of June 30, 2025, we had cash and cash equivalents of $89.3 million and marketable securities of $516.4 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 six months ended June 30, 2025, the Company repurchased 5,294,598 shares for $126.3 million. The repurchased shares were retired. As of June 30, 2025, $126.5 million remained 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 Company funded the dividend from proportionate cash distributions by Alclear to all of its members, including the Company.

On August 5, 2025, the Company announced that its Board declared a quarterly dividend of $0.125 per share, payable on September 17, 2025 to holders of record of Class A Common Stock and Class B Common Stock as of the close of business on September 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 with a maturity date of March 31, 2023 (which has since been amended to extend the maturity date to June 28, 2026). 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 the amount of $50 million. In June 2023, the Company entered into a second amendment to the Credit Agreement to transition from LIBOR to the Secured Overnight Financing Rate ("SOFR") as our benchmark interest rate and to extend the maturity date to June 28, 2026.

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

As of June 30, 2025, the Company had a remaining borrowing capacity of $66.4 million, net of standby letters of credit, and had no outstanding debt obligations. As of June 30, 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 six months ended June 30, 2025 and 2024 (in millions):

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	$ Change
Net cash provided by operating activities	$221.3	$194.9	$26.4
Net cash provided by investing activities	16.6	26.4	(9.8)
Net cash used in financing activities	(216.3)	(241.1)	24.8
Net increase (decrease) in cash, cash equivalents, and restricted cash	21.7	(19.7)	41.4
Cash, cash equivalents, and restricted cash, beginning of year	**70.3**	**68.9**	**1.4**
Net exchange differences on cash, cash equivalents, and restricted cash	0.1	—	—
Cash, cash equivalents, and restricted cash, end of period	**$ 92.1**	**$ 42.7**	**$ 49.4**

Cash flows from operating activities

For the six months ended June 30, 2025, net cash provided by operating activities was $221.3 million compared to net cash provided by operating activities of $194.9 million for the six months ended June 30, 2024, an increase of $26.4 million primarily due to higher net income, year-over-year favorable changes in working capital of $13.3 million driven by higher partnership liabilities, and an increase in non-cash adjustments to net income of $7.3 million driven by an impairment of the Company's strategic investment and lower discount accretion on marketable securities.

Cash flows from investing activities

For the six months ended June 30, 2025 net cash provided by investing activities was $16.6 compared to net cash used in investing activities of $26.4 for the six months ended June 30, 2024, a decrease of $9.8 million. The change was primarily due to a decrease in the net sales of marketable securities of $8.5 million, an increase in capital expenditures of $4.9 million, offset by proceeds from a divestiture of $2.7 million.

Cash flows from financing activities

For the six months ended June 30, 2025, net cash used in financing activities was $216.3 million compared to net cash used in financing activities of $241.1 million for the six months ended June 30, 2024, an increase of $24.8 million. The change was primarily due to a decrease in the amounts used to repurchase Class A Common Stock of $23.7 million and a decrease in payments of dividends and distributions of $1.7 million.

Commitments and Contingencies

We have non-cancelable operating lease arrangements for office space. As of June 30, 2025, we had future minimum payments of $200.2 million, with $15.0 million due within twelve months.

We have and continue to enter into agreements with airports for access to floor and office space. As of June 30, 2025, we had future minimum payments of $67.6 million.

We have commitments for future marketing expenditures to sports stadiums of $3.9 million as of June 30, 2025.

We are subject to certain minimum spend commitments of approximately $9.2 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. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. 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. Additionally, please refer toNote 2 within the condensed consolidated financial statements for further information on our critical accounting policies and estimates.

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 $89.3 million as of June 30, 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 June 30, 2025, we had no outstanding borrowings under the revolving credit facility.

Investments in Marketable Securities

We had marketable securities totaling $516.4 million as of June 30, 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 $2.6 million that would be recognized in accumulated other comprehensive loss within the condensed consolidated balance sheets.

Foreign Currency Transaction and Translation Risk

Fluctuations in foreign currencies impact the amount of total assets, liabilities, revenues, operating expenses and cash flows that we report for our foreign subsidiaries upon the translation of these amounts into U.S. dollars. Since the majority of our business is transacted in the U.S. dollar, foreign currency transaction and translation risk was insignificant for the three and six months ended June 30, 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 (the "Exchange Act")) as of the quarter ended June 30, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the quarter ended June 30, 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 Exchange Act, is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

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

Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended June 30, 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 six months ended June 30, 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 1,766,397 shares of Class A Common Stock.

Issuer Purchases of Equity Securities

Below is a summary of the repurchases during the three months ended June 30, 2025 (in millions, except share and per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan or Program[1]
April 1, 2025 - April 30, 2025	610,323	$ 23.92	610,323	$ 133.7
May 1, 2025 - May 31, 2025	416,517	$ 23.97	416,517	$ 126.5
June 1, 2025 - June 30, 2025	—	$ —	—	$ 126.5
Total	**1,026,840**	**$ 23.94**	**1,026,840**	

[1]*Excludes 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 June 30, 2025, $126.5 million remained available under the repurchase authorization. The timing and actual number of shares repurchased will be determined by management depending on a variety of factors, including stock price, trading volume, market conditions, and other general business considerations. The repurchase program has no expiration date and may be modified, suspended, or terminated at any time. The above table excludes shares repurchased to settle employee tax withholding related to the vesting of stock awards.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not applicable

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Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2025, none of the Company’s directors or Section 16 officersadopted 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)

SIGNATURES

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

CLEAR SECURE, INC.

Date:	August 5, 2025	By:	/s/ Caryn Seidman Becker Caryn Seidman Becker Chairman and Chief Executive Officer
Date:	August 5, 2025	By:	/s/ Jennifer Hsu Jennifer Hsu Chief Financial Officer

Exhibit 31.1

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

I, Caryn Seidman Becker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clear Secure, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	August 5, 2025	By:	/s/ Caryn Seidman Becker
			Caryn Seidman Becker
			Chairman and Chief Executive Officer
			(Principal Executive Officer)

Exhibit 31.2

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:	August 5, 2025	By:	/s/ Jennifer Hsu
			Jennifer Hsu
			Chief Financial Officer
			(Principal Financial Officer)

Exhibit 32.1

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

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

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 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:	August 5, 2025	By:	/s/ Caryn Seidman Becker
			Caryn Seidman Becker
			Chairman and Chief Executive Officer
			(Principal Executive Officer)

Exhibit 32.2

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 June 30, 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:	August 5, 2025	By:	/s/ Jennifer Hsu
			Jennifer Hsu
			Chief Financial Officer
			(Principal Financial Officer)