

Syonet Deal

ATLANTE CAPITAL SEARCH FUND

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Executive Summary

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Syonet is a highly attractive investment target given its robust financials, strong market tailwinds and superior unit economics, constituting a powerful platform to sustain accelerated growth. As a result the deal boasts high returns potential of 6x+ MOIC in the base case.

Key Info

- HQ:** Montenegro (RS), Brazil.
- Industry:** Niche SaaS CRM & CMS marketing tool for vehicle dealerships.
- Cap Table:** 7 founders, of which 2 non-execs. Bootstrapped.
- Founded:** 2003 (19 years).
- Employees:** 165 total.
- Net Revenues:** BRL 32.5M.
- Growth CAGR (5y):** 33%+ p.a.
- Adj. EBITDA:** BRL 9M.
- Debt:** None.
- CAPEX & WK:** negligible (< 0.3% of revenues).

Company Description & Deal Terms

Company History & Offering

- Founded in 2003, Syonet is the premier CRM SaaS platform for auto dealerships in Brazil, with two highly complementary offerings:
 - CRM platform for mgmt. of all sales leads and client lifecycle;
 - CMS digital mkt. tool, to create, monitor and optimize campaigns.

Market Overview

- BRL 1 billion market size for CRM and mkt. SaaS for dealerships in Brazil, given 55k+ stores in the country, of which 7k+ branded and 48k+ independent.
- Company is the market leader being present in 1.6k+ stores, in a segment with lots of white space given historically low tech adoption, until recently was mainly on spreadsheets.
- Major tailwinds pushing for segment digitization given buyers (Millenials, Z) increasingly favor online car buying, a trend further accelerated by COVID.

Transaction Terms

- Acquisition of 100% for BRL 72M + earnout subject to 2024 revenue target.
- All deferred payments payed from company cash flows, in 3 annual installments from 2025, with inflation correction.
- Equity check: BRL72M (c. USD14M total, \$1.4M per unit).

Investment Highlights

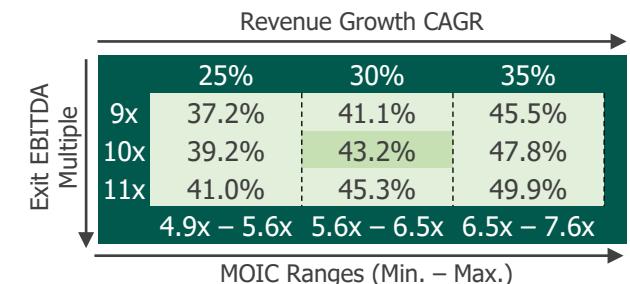
Strong Financials & Growth: Solid trajectory at 33%+ p.a. growth CAGR with 30%+ EBITDA.

Superior Unit Economics: 78%+ gross margins, 7x+ LTV/CAC ratio and 124%+ avg. NRR over last 3y, giving a powerful platform for continued growth.

Plenty of Opportunities to Grow: BRL 1bn SAM, plus c. 2bn in adjacent products & geographies.

Clear Exits Paths: Many consolidators in US and Brazil targeting the segment, with major deals as recently as April/22 (Brookfield x CDK Global buyout).

High Returns Potential: 6x+ cash on cash and 43% net investors' IRR in base case.



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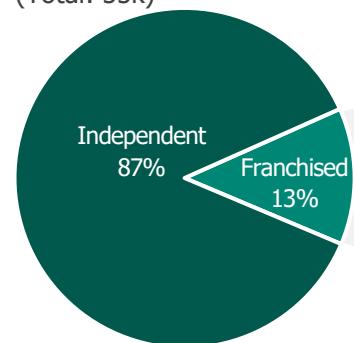
Market Overview: Segment Snapshot

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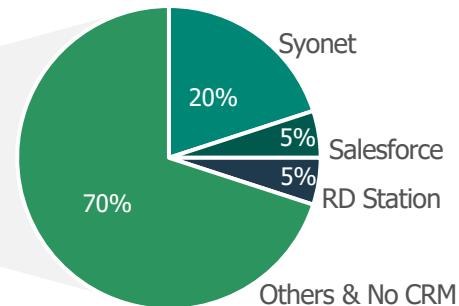
Brazil has 55k+ vehicle dealerships with most of these still on spreadsheets. Among stores with CRMs, main competitors are Salesforce and RD Station, generic CRMs lacking many niche-specific modules and integrations, which need expensive customization projects to implement.

- Brazil is the 3rd largest vehicle market in the world, with 55k+ dealerships, of which 7.3k franchised stores and the rest being multi-brand (independent).
- Most independent stores still do not use any CRM system and rely solely on spreadsheets for lead mgmt., while a few use generic low-ticket systems.
- Franchised stores are ahead in the digitization journey thanks to the push by OEMs and larger size/complexity of these groups, however a majority of them still relies on their old DMS systems alone, which lack advanced CRM features.

Stores per Segment
(Total: 55k)



CRM Market Share in Franchised Stores
(Total: 7.3k)



CRM Providers – Positioning & Avg. Pricing



Premium Customer Base

The company boasts many of the largest dealership groups among its clients



Market Overview: CRM & CMS Product Comparison

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Company has a premier vertical product with unique features for the dealership segment, granting a powerful competitive advantage. For this reason, Syonet is not only growing fast in the ample white space but also consistently taking clients from other systems.

	Features	S	Salesforce	RD Station	Mr. Sales	Linx (ERP)
CMS & Lead Generation	Automated leads central	✓	✓	✓	✗	✗
	Programmable leads distribution	✓	✓	✓	✗	✗
	Integration with online media, marketplaces & web portals	✓	✓	✓	✗	✗
	Smartphone app for mobile access	✓	✓	✗	✗	✗
	Offline access	✓	✓	✗	✗	✗
	Automatic and programmable leads scoring	✓	✓	✓	✗	✗
Base CRM Features	Automatic client follow-ups	✓	✓	✓	✓	✓
	Customer Support queue management	✓	✓	✗	✗	✗
	Overview of salespeople performance	✓	✓	✓	✓	✓
	Whatsapp Business integration	✓	✓	✓	✗	✓
	Smart client lifecycle management with demographic data	✓	✓	✓	✗	✗
	CRM mobile app	✓	✓	✗	✗	✓
	Customizable reports & dashboards (B.I.)	✓	✓	✗	✗	✓
	Modular core solution (flexibility to contract parts only)	✓	✗	✓	✗	✓
	Programmable CRM processes automation	✓	✓	✓	✗	✗
	Email & phone integrations	✓	✓	✓	✗	✗
	Big data insights for customer retention	✓	✓	✓	✗	✗
	Native e-mail and SMS campaign builder	✓	✓	✓	✗	✗
Post-Sales	Leads management in mobile app	✓	✓	✓	✗	✓
	Customers app for online bookings	✓	✓	✓	✓	✓
	Local DMS / ERPs integrations	✓	✗	✗	✓	✓
	Customer satisfaction polls	✓	✓	✓	✗	✗
Exclusive Features	Modules for other core dealership functions (workshop, F&I etc.)	✓	✗	✗	✗	✗
	Automation of specific post-sales processes (OEM recalls, rebuys etc.)	✓	✗	✗	✗	✗
	CRM 100% homologated by local OEMs for immediate deploy	✓	✗	✗	✗	✗
	Unified client view across all dealerships (multi-brand) & media	✓	✗	✗	✗	✗

Market Overview: Strong Tailwinds for Continued Growth

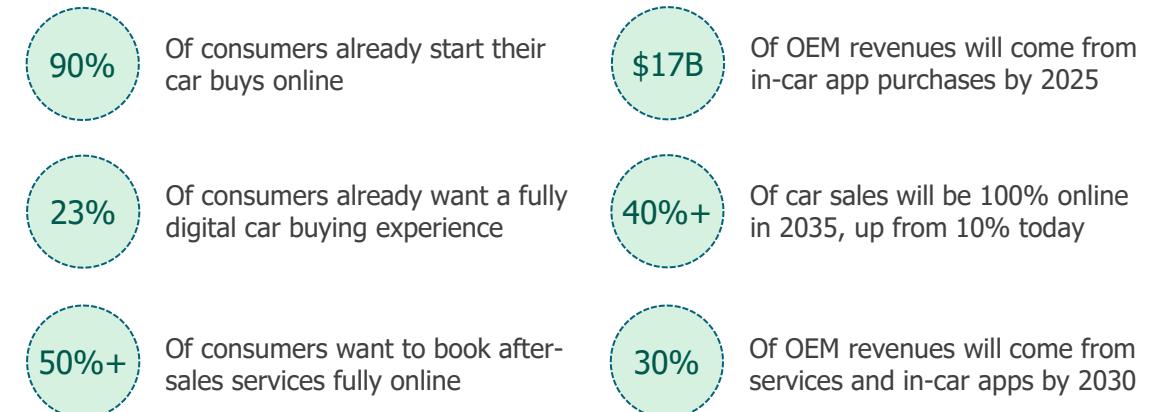
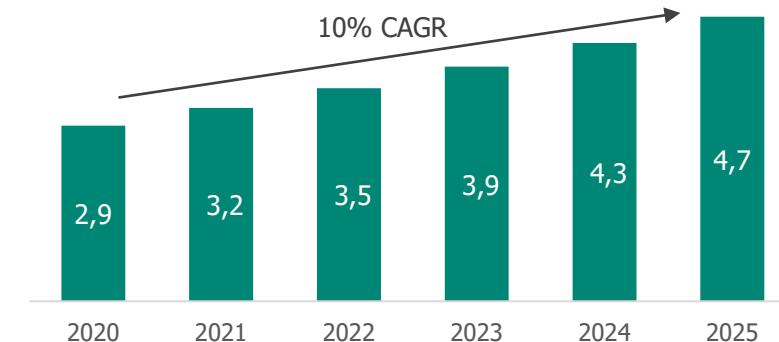
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Customers increasingly looking for a digital-first car buying experience combining virtual interaction with the convenience of buying online, plus the personal consultancy of a dealer, and they expect all these experiences to be joined up seamlessly.

Dealership digitization & CRM adoption drivers

- Car buyers are increasingly digital-savvy, with millennials surpassing Gen X as largest consumer cohort in 2020. Misaligned online and physical experiences leave customers shortchanged more than ever.
- While consumers used to visit dealerships on average 8x before buying, today they do so 1-2x only. Most sales leads now come from digital channels and COVID-19 further accelerated this trend, forcing physical stores to close down.
- Dealership margins are just 1-3% in new car sales, driving the need to keep customers engaged to turn a profit with services. Consolidation in dealership groups is also a trend, increasing CRM adoption with better mgmt. practices.
- Better engaging with customers is key, with greater focus in digital channels, personalized advertising and more convenient online sales journeys. Consumers don't want physical touchpoints to feel like starting from scratch.

Global Dealership Mgmt. Systems Market Size (USD Billions)



Sources: Accenture, Fenabrade, Fenauto, ReportLinker.

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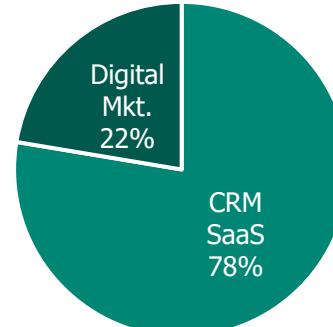
Company Overview: Background & Snapshot

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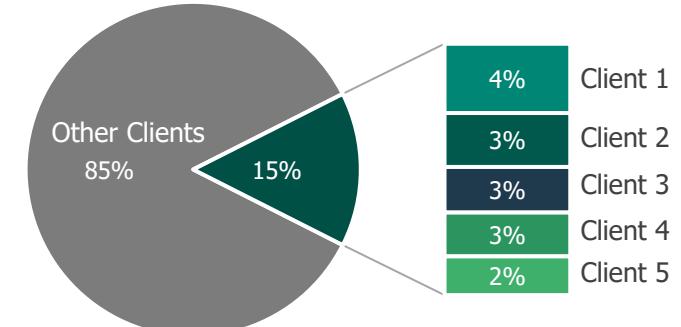
Syonet is the premier CRM SaaS provider for dealerships in Brazil, with a fast-growth trajectory at 33%+ CAGR over the last 5 years, 90%+ subscription-based recurring revenues and a large and pulverized client portfolio.

- Founded in 2003, Syonet is the premier CRM platform for auto dealerships in Brazil.
- Experiencing fast growth, boosted by strong tailwinds towards dealership digitization, while most of the market is still reliant on spreadsheets or pen and paper.
- Strong unit economics & KPIs, with pulverized revenue profile and 90%+ recurring revenues.
- Offers two highly complementary offerings:
 - CRM SaaS: Integrates all processes of the dealership, from S&M and online lead generation to in-store vehicle, F&I and post-service sales.
 - Digital Marketing: Platform for publishing and managing dealership websites, selling online and centering all digital media campaigns in a single tool.

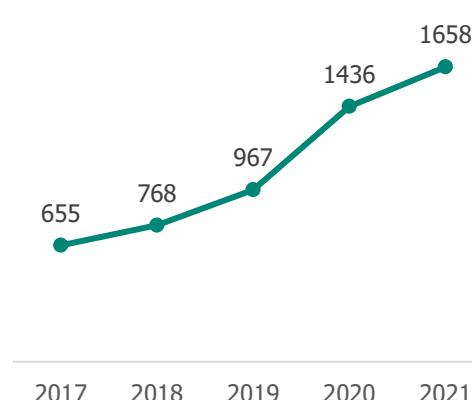
% Revenues per Product



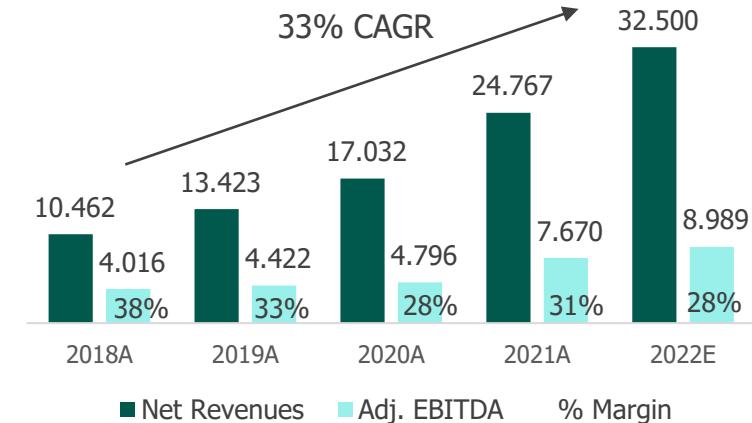
% Revenues per Client



of Clients (Total)



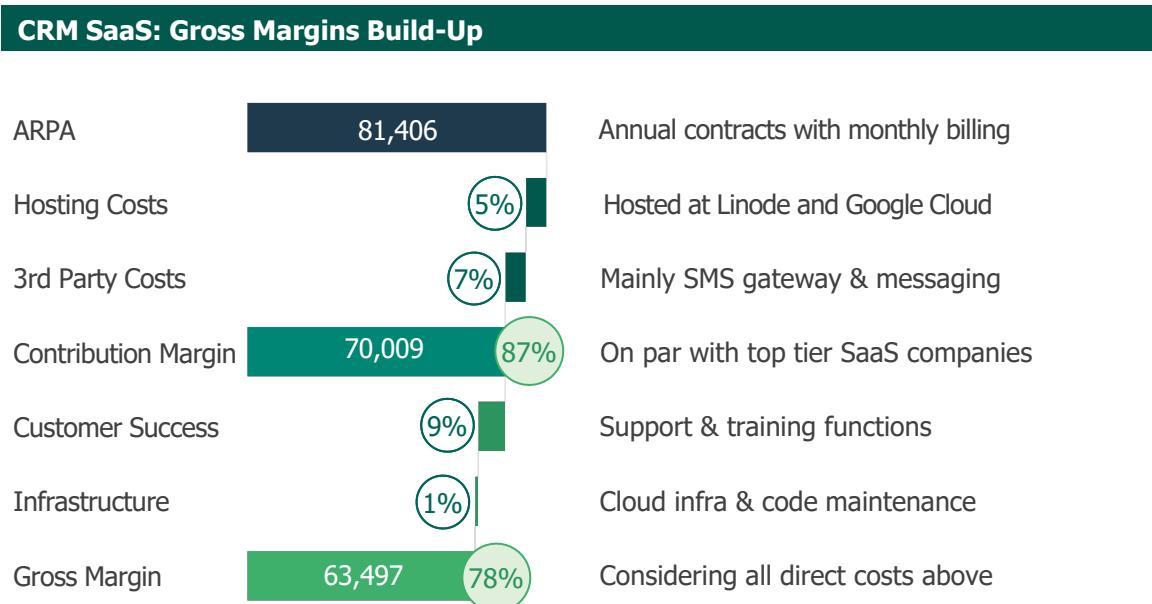
Summary Financials
(BRL '000)



Company Overview: CRM B.U. KPIs & Unit Economics

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Syonet's SaaS CRM B.U. displays top-tier SaaS metrics and strong unit economics, thanks to a highly scalable product offering, proven added value and market tailwinds pushing existing clients to expand their digitization efforts.

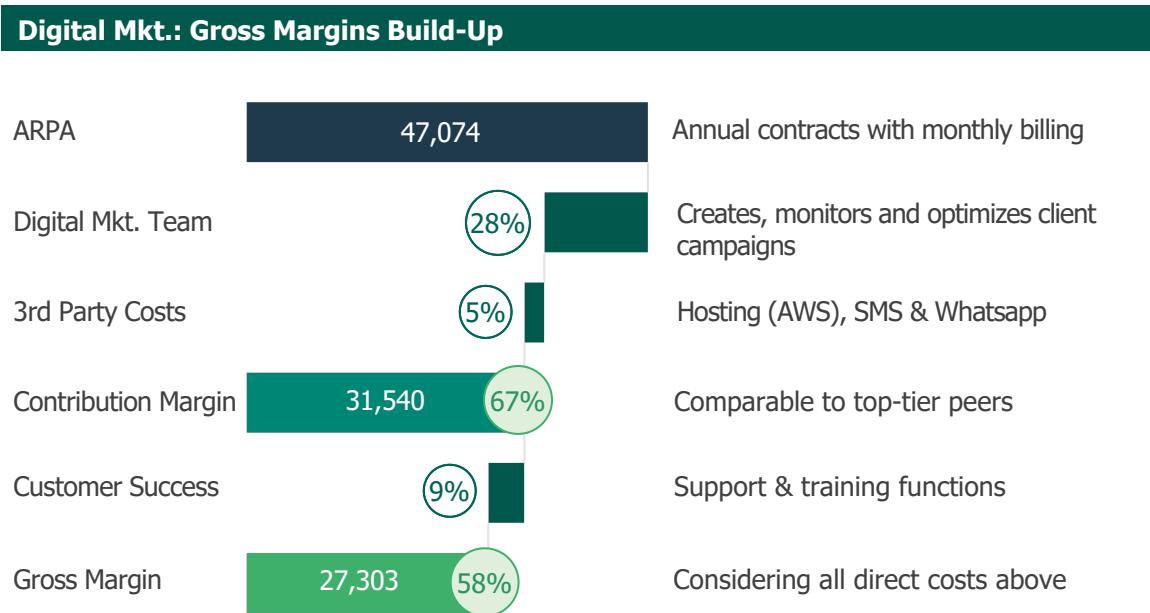


CRM SaaS: KPIs & Unit Economics	2019A	2020A	2021A
Recurring Revenues (BRL '000) - Open	6.520.078	8.200.259	10.820.437
New Clients	646.559	1.583.987	1.555.979
Existing Clients	1.033.622	1.036.191	4.637.491
Lost Clients (Rev. Churn)	(200.099)	(364.507)	(415.387)
Continuing Clients Movement	1.233.721	1.400.698	5.052.879
Recurring Revenues (BRL '000) - Close	8.200.259	10.820.437	17.013.907
# Clients - Open	158	181	200
New	44	44	37
Lost	(21)	(25)	(28)
# Clients - Close	181	200	209
Total Stores – Close	798	1.233	1.446
Avg. Stores per Client	4.4	6.2	6.9
ARPA	45.305	54.102	81.406
Net Revenue Retention	116%	113%	143%
Annual Churn %	-13%	-14%	-14%
LTV - @ 78% GM	265.877	305.526	453.549
CAC - Pro-Rata S&M Allotment	45.200	43.505	50.392
LTV / CAC Ratio	5,9x	7,0x	9,0x
CAC Payback Period	16 months	13 months	10 months

Company Overview: Digital Marketing B.U. KPIs & Unit Economics

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The CMS & Digital Mkt. B.U. also boasts solid unit economics and higher ARPA, propelled by the same market tailwinds as the core CRM offering, with good scalability potential due to the automation of many tasks in Syonet's CMS.



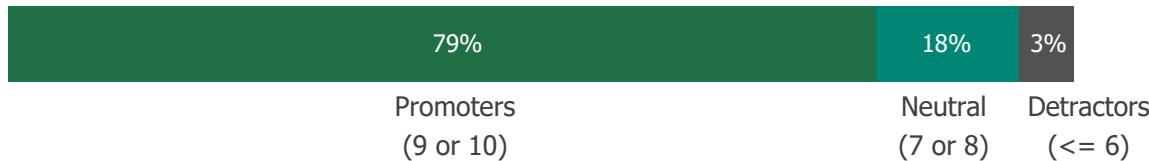
Digital Mkt.: KPIs & Unit Economics	2019A	2020A	2021A
Recurring Revenues (BRL '000) - Open	2.183.062	2.874.495	4.076.586
New Clients	268.413	1.235.866	859.860
Existing Clients	423.019	(33.776)	1.248.534
Lost Clients (Rev. Churn)	(101.014)	(192.259)	(292.925)
Continuing Clients Movement	524.033	158.483	1.541.460
Recurring Revenues (BRL '000) - Close	2.874.495	4.076.586	6.184.980
# Clients - Open	38	54	107
New	21	60	30
Lost	(5)	(7)	(11)
# Clients - Close	54	107	126
Total Stores – Close	153	313	358
Avg. Stores per Client	2,8	2,9	2,8
ARPA	53.231	38.099	49.087
Net Revenue Retention	119%	99%	131%
Annual Churn %	-13%	-13%	-10%
LTV - @ 58% GM	237.492	169.980	284.705
CAC - Pro-Rata S&M Allotment	23.676	9.530	20.717
LTV / CAC Ratio	10,0x	17,8x	13,7x
CAC Payback Period	9 months	5 months	9 months

Company Overview: Customer Satisfaction

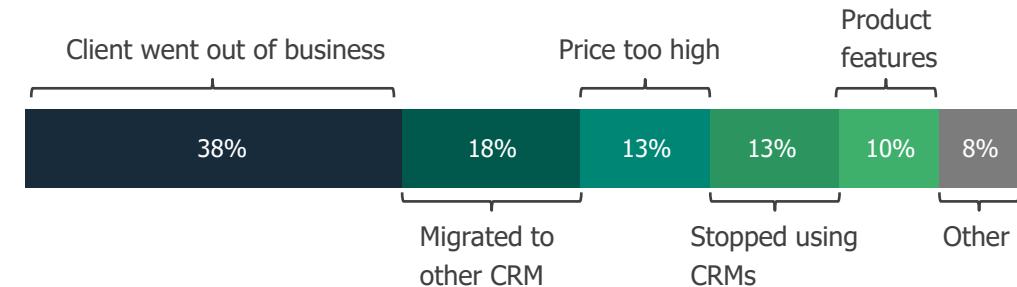
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Customers are overall very satisfied, as shown by high NPS across the board and 79% of promoters. Main reason for churn are clients going out of business, a reality of dealerships given very low margins and high competition. Churns happen roughly linearly over years.

Share of Promoters, Neutral and Detractors (NPS Question)



Main Reasons for Churn



Customer Satisfaction & NPS poll results (2021)

N = 295 respondents

How do you rate our customer support overall?

8.98

How do you rate the knowledge of our CS team?

9.19

How do you rate Syonet's software and its features?

8.96

How do you rate the ease of use of our software?

9.12

How do you rate your overall satisfaction with our company?

8.88

How likely are you to recommend us to a friend?

9.16

Client Cohort Analysis

Gray: # of new clients; Left: Accumulated chuns per cohort

	CRM Core	New Clients	2018	2019	2020	2021
			2018	2019	2020	2021
2018	27		-	3	6	9
2019	44			1	1	10
2020	44					1
2018	27	27	100,0%	88,9%	77,8%	66,7%
2019	44	44		100,0%	97,7%	77,3%
2020	44	44			100,0%	97,7%
CMS & Digital Marketing						
	New Clients		2018	2019	2020	2021
			2018	2019	2020	2021
2018	38		-	5	10	14
2019	21			2	5	4
2020	60					4
2018	38	38	100,0%	86,8%	73,7%	63,2%
2019	21	21		100,0%	90,5%	76,2%
2020	60	60			100,0%	93,3%

Company Overview: Sales & Marketing

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Customer acquisition has been mainly reactive so far given the easy-growth environment with lots of white space and founder's background being mostly technical, constituting an immediate opportunity for Atlante to add value.

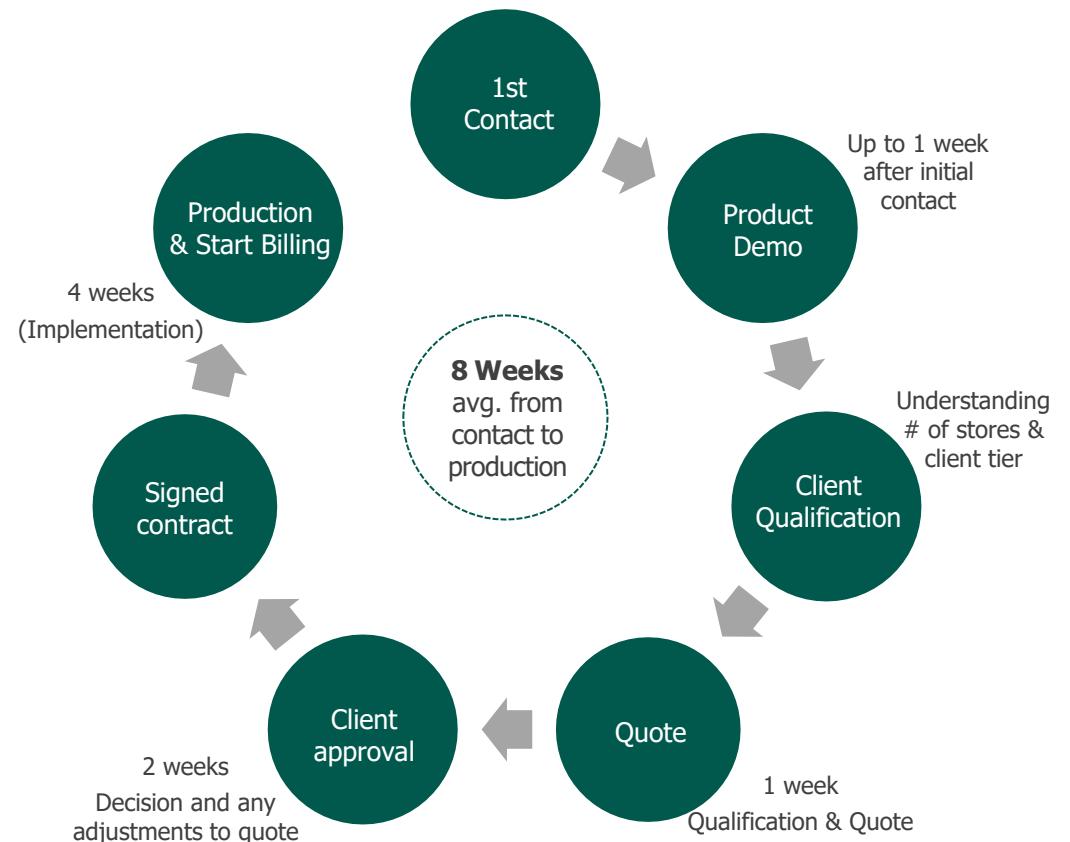
- Until 2021 client acquisition was almost exclusively reactive, with new customers coming from existing client & OEMs recommendations and leads generated from marketing initiatives such as participation in segment fairs.
- This year the company started to structure a proper sales team, with the recent hiring of a couple dedicated SDRs and a sales manager to padronize processes and coordinate the team, but that process is still in its early days.
- The company operates a highly-targeted marketing strategy, mostly investing in participation in industry events and ads in industry reports and websites.

Marketing Initiatives



Typical Sales Process

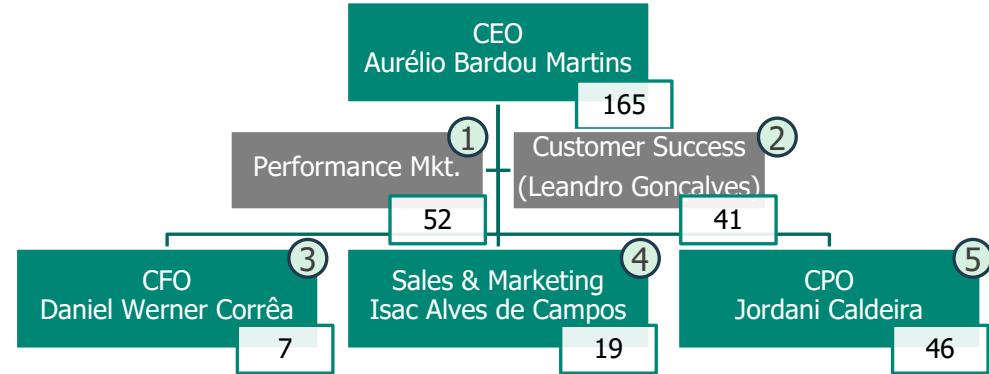
Considering client of average size and no pre-existing CRM in place



Company Overview: People & Organization

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The founders are techies mostly in their mid-50s, having previously worked as devs at DMS companies that were subsequently acquired by Linx in the early 2000s. The CPO is the younger partner and wishes to stay with us in the company for the long-run.



Partner	Role	Age	% Shares
Aurélio Martins	CEO	57	27.70%
Paulo Kindel	Non-Exec.	53	23.75%
Daniel Werner Corrêa	CFO	40	23.62%
Isac Alves de Campos	S&M	51	10.92%
Leandro Gonçalves	CS	54	6.67%
Jordani Caldeira	CPO	38	4.42%
Alexandre Belló	Non-Exec.	61	2.92%

- ① Performance Marketing: Personnel directly related to the Digital Mkt. B.U., monitoring and optimizing client campaigns. Reports to CEO.
- ② Customer Success: Support, training and cross-sales functions in existing Syonet clients. Leaded by Leandro and Aurélio jointly.
- ③ CFO office: Accounting and HR functions are outsourced, so this area is relatively small and the CFO focuses more on supporting other roles.
- ④ S&M: Recently expanded teams, 9 ppl. in sales, remainder in marketing roles.
- ⑤ Product Development: Coordinates R&D and product maintenance.

- Aurélio Martins (CEO): Graduate in Systems Analysis, before founding Syonet worked for over 10 years as a dev. at CNP, a local DMS company later acquired by Linx in 2010.
- Daniel Corrêa (CFO): BS in Computer Science, started his career at CNP as a dev. for 2 years before co-founding Syonet.
- Isac Campos (S&M): AS in Systems Technology, worked for 15 years at the local Ford Franchisees Association before joining Syonet early in its history.
- Leandro Gonçalves (CS): AS in Accounting, worked for over 10 years with Aurélio at CNP as a business analyst and later manager of CS.
- Jordani Caldeira (CPO): MBA in Project Mgmt., joined Syonet from college in 2006.

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Investment Thesis: Clear Levers to Expand (1/2)

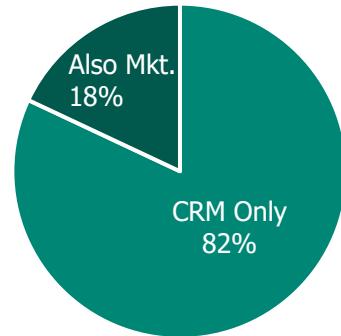
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The company is already in a high-growth trajectory as it is due to market tailwinds alone, but still there are significant opportunities to accelerate growth even further. Among these, low-hanging fruits are optimizing S&M and boosting efforts to expand in independents.

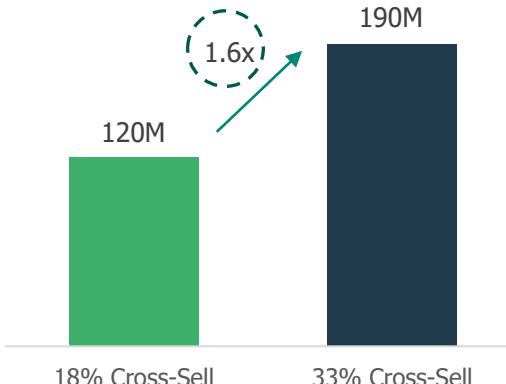
1) Increased S&M push in existing offering

- Sales area lacks proper processes due to founders' technical background and easy-growth environment, without centralized planning and coordination.
- Commercial team is generalist with no product, segment or regional focus, and existing incentives are geared to bringing in new clients only.
- As a result, there is ample room to accelerate cross-selling as shown below.

Cross-sell of Digital Marketing in CRM Base
(Total: 1865 stores)



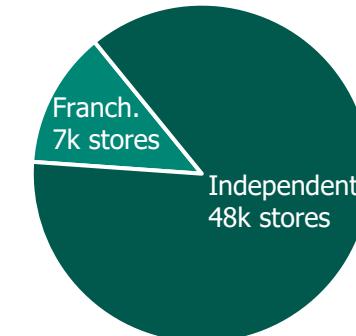
Expected Dig. Mkt. Revenues (5y)



2) Expansion among independent dealerships

- Independent stores have the same pressing needs to adopt a CRM and digital marketing tools as franchised stores, since market tailwinds are the same.
- However, they don't need robust features such as integrations with OEMs and other systems, and their teams are smaller, thus they favor lower-ticket SaaS.
- The company recently launched a "stripped-down", lighter version for independents, at BRL 499 monthly, in line with the segment's avg. ticket.

Brazil - Stores per Segment
(Total: 55k)



Capturing a 10% share in this segment would alone **double** company revenues, even at half the avg. ticket of franchised stores

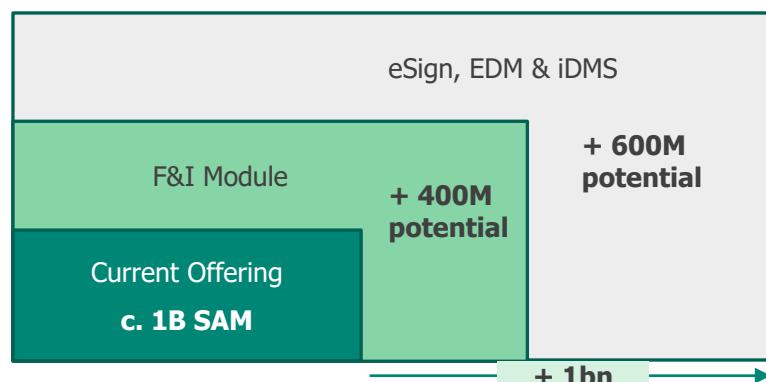
Investment Thesis: Clear Levers to Expand (2/2)

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There is a potentially disruptive opportunity in Financial & Insurance (F&I) products among Syonet's client base. For instance, a large bank (Bradesco) is paying for 50 stores to implement the CRM, aiming at leads for F&I products. Latam is another target for future expansion.

3) Deployment of new modules to increase share of wallet

- Develop features that are today outsourced to 3rd parties or not currently available can result in a significant revenue upside, such as:
 - F&I: Substituting the existing fintech partner (Fandi) to intermediate the closing of financing and insurance contracts with banks directly for a revenue share. First contract already signed with Bradesco this year.
 - eSign and EDM: Syonet peers in the US successfully replaced integrations with Adobe, Docusign etc., billing on a per document basis.



4) Accelerate Latam sales via local channels

- Syonet has passively started catering to Latam customers via a leading automotive consultancy (Exata) acting as its channel in the region.
- There are no relevant local competitors since these markets are 5-10 years behind Brazil in the digitization curve. The software is already translated, integrated to local OEMs and DMS and operating in 50+ stores, ready to scale.
- Proposed approach is a channel-focused strategy, accrediting and training local I.T. consultancies to sell and give support to Syonet systems locally.



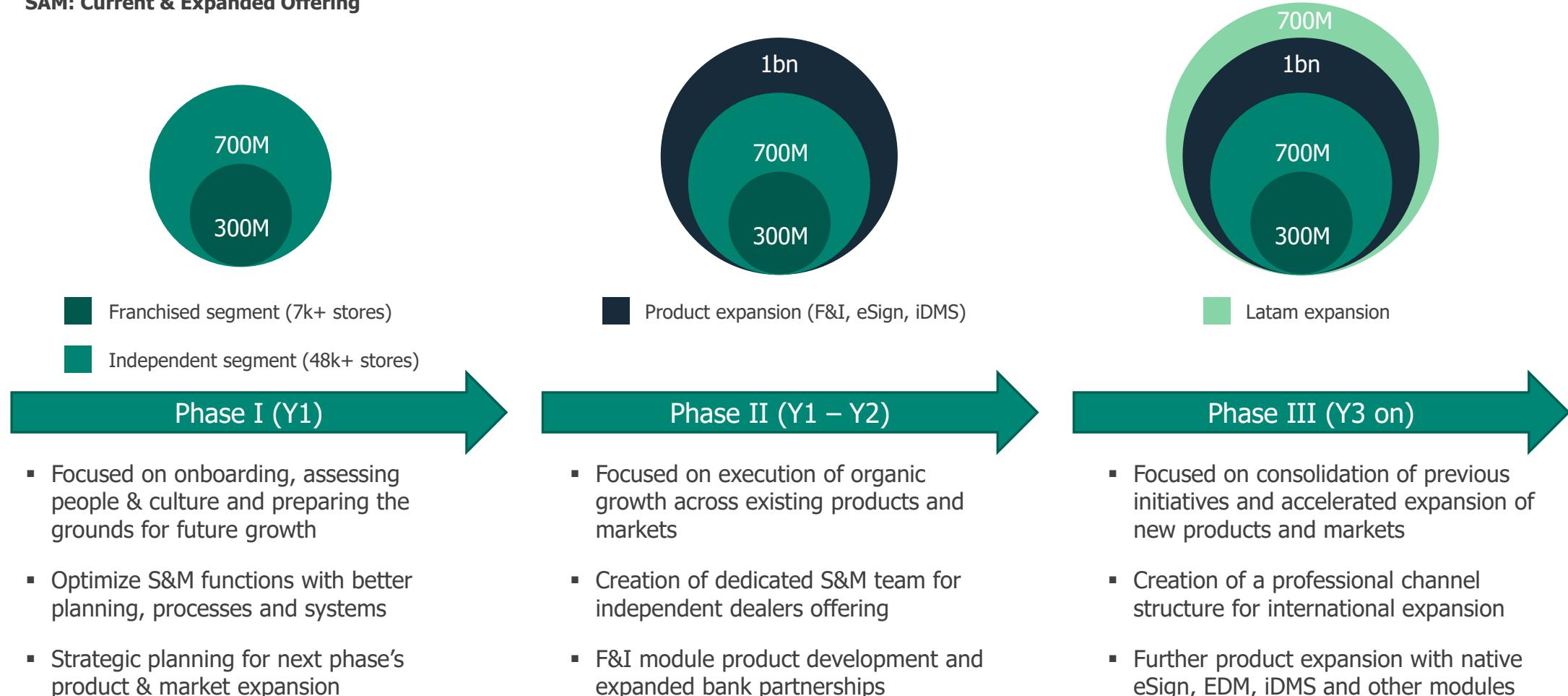
- Brazil: HQ & currently 97% of revenues
SAM: 1bn
- Mexico, Peru & Paraguay: Countries with channel presence & live clients
SAM: 500m
- Chile & Colombia: Other targets for future expansion
SAM: 200m

Investment Thesis: Market Opportunity & Phased Approach

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Brazil & Latam SaaS and digital marketing for the dealership segment is a largely untapped opportunity of up to BRL 3bn, which can be further expanded as the existing and new offerings planned come to maturity.

SAM: Current & Expanded Offering



Investment Thesis: Financial Projections (1/2)

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Base Case Income Statement projections take conservative assumptions on revenue growth, in line with previous years. Gross margins are assumed to continue at present levels, and modic EBITDA margin gains are realized only in SG&A items.

Income Statement - BRL '000	2021A	2022B	2023E	2024E	2025E	2026E	2027E		
Gross Revenues	26.246	34.439	44.175	56.848	73.021	93.355	118.621		
%Growth YoY	48%	31%	28%	29%	28%	28%	27%		
Gross Revenue - CRM B.U.	20.061	26.735	34.364	44.228	56.759	72.461	91.919		
Gross Revenue - Digital Mkt. B.U.	6.185	7.704	9.812	12.620	16.262	20.895	26.702		
Deductions	-1.479	-1.939	-2.487	-3.201	-4.111	-5.256	-6.678		
% of Gross Revenues	-5,63%	-5,63%	-5,63%	-5,63%	-5,63%	-5,63%	-5,63%		
(-) Deductions - CRM B.U.	-1.129	-1.505	-1.935	-2.490	-3.196	-4.080	-5.175		
(-) Deductions - Digital Mkt. B.U.	-349	-434	-552	-711	-916	-1.176	-1.503		
Net Revenues	24.767	32.500	41.688	53.648	68.910	88.100	111.943		
%Growth YoY	45%	31%	28%	29%	28%	28%	27%		
COGS	-6.301	-8.730	-11.185	-14.393	-18.497	-23.668	-30.101		
(-) COGS - CRM B.U.	-3.989	-5.677	-7.297	-9.391	-12.052	-15.386	-19.517		
(-) COGS - Digital Mkt. B.U.	-2.312	-3.054	-3.889	-5.002	-6.446	-8.282	-10.584		
Gross Profits	18.466	23.770	30.503	39.255	50.413	64.432	81.842		
% Gross Margin	75%	73%	73%	73%	73%	73%	73%		
SG&A (Excl. D&A)	-9.417	-13.312	-16.658	-20.644	-25.634	-31.789	-39.288		
% of Net Revenues	-38%	-41%	-40%	-38%	-37%	-36%	-35%		
EBITDA	9.050	10.458	13.844	18.611	24.779	32.643	42.554		
% EBITDA Margin	36,5%	32,2%	33,2%	34,7%	36,0%	37,1%	38,0%		
(-) C-Level Salaries Adjustment	-	779	-	757	-791	-823	-854	-886	-920
(-) Labor Adjustments	-	237	-	321	-412	-530	-681	-870	-1.106
(-) Other Adjustments	-	364	-	391	-502	-645	-829	-1.060	-1.347
Adjusted EBITDA	7.670	8.989	12.140	16.613	22.415	29.827	39.182		
% Adj. EBITDA Margin	31,0%	27,7%	29,1%	31,0%	32,5%	33,9%	35,0%		

Observations:

B.U. CAGRs: 18' - 21A: 22' – 27E:

- CRM B.U.: 32% p.a. → 28% p.a.
- CMS B.U.: 40% p.a. → 28% p.a.

Direct state and municipal sales taxes (PIS/Cofins: 3,65% and ISS: 2%).

Although costs such as Customer Success and Infrastructure are somewhat scalable, no gross margin gains are assumed in the model.

Main SG&A components are Product Dev. (18% of sales) and S&M expenses (11% of sales). Modic margin gains assumed in Product Dev. (currently oversized).

All EBITDA adjustments already confirmed in Phase I Financial diligences.

Investment Thesis: Financial Projections (2/2)

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Balance Sheet projections take into account deferred earnout payments, showing that cash flows will be more than sufficient to cover deal leverage. Surplus cash generated until 2027 will be available for organic investments, add-on acquisitions TBD or interim dividends.

Balance Sheet - BRL '000	2021A	2022B	2023E	2024E	2025E	2026E	2027E
ASSETS	8.021	69.612	82.351	109.873	128.871	155.968	198.152
CURRENT							
Cash and Equivalents	7.518	300	12.594	25.853	44.138	70.348	111.395
Accounts Receivable	305	1.354	1.737	2.235	2.871	3.671	4.664
NON-CURRENT							
Goodwill	-	67.705	67.705	81.401	81.401	81.401	81.401
Property, Plant and Equipment, Net	197	253	314	383	460	549	691
LIABILITIES	8.021	69.612	82.351	109.873	128.871	155.968	198.152
CURRENT							
Suppliers	42	58	77	97	123	155	195
Salary Obligations	507	717	891	1.118	1.404	1.759	2.195
Tax Obligations	632	477	287	482	768	1.156	1.651
Labor Provisions	998	1.328	1.650	2.070	2.600	3.258	4.065
Dividends to Pay	1.546	1.546	1.546	1.546	1.546	1.546	1.546
NON-CURRENT							
Debt	-	-	-	9.131	4.565	-	-
SHAREHOLDER'S EQUITY	4.295	65.486	77.900	95.428	117.864	148.093	188.500

Observations:

- Cash & Equiv.: Sellers to distribute surplus cash and hand over with sufficient to cover typical WK needs (assumed 300k, though WK cycle is negative).
- Accounts Receivable: DSO currently at 4 days as clients typically pay in advance.
- Goodwill: From Atlante acquisition and earnout in dec-24. Can be amortized for a tax benefit.
- PP&E: CAPEX needs are negligible at < 0.3% of rev.

- Suppliers: Negligible given very few suppliers and owners policy of paying bills in advance.
- Salary Obl.: Currently at 16 days, in line with labour laws (50% salary advancement).
- Tax Obl.: Currently at 52 days, in line with Brazilian taxation schemes (mostly avg. 45 days later).
- Labour provisions: 32 days currently, in line with labour laws (payed vacations, 13th salary).
- Dividends to Pay: Owners distribute in march after closing previous year books.
- Debt: Company has zero debts. Atlante projections take into account our deferred payments of earnout (1/3 immediately + 2 yearly instalments).

Investment Thesis: Potential Exit Routes

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The investment boasts plenty of available exit routes since the segment is undergoing consolidation in the US and attracting considerable interest from broader software players and PE firms given powerful market tailwinds pushing for stores digitization.

Selected Acquisitions in Dealership Software & Digital Marketing Segment										
Buyer	Target	Description	Year	Deal EV	Target Revenues	Target EBITDA	Rev. Multiple	EBITDA Multiple	Press Release	
Brookfield	CDK Global	CDK Global, Inc. (Nasdaq: CDK), a leading automotive retail technology company, was acquired by Brookfield. "Brookfield recognizes the unique value our products bring to more than 15,000 retail locations in North America and shares our vision of transforming the future of automotive retail", said Brian Krzanich, CDK's president and CEO.	2022	\$8.3 B	\$1.8 B	\$548 M	4,7x	15,1x	Link	
Snap-On Inc	Dealer-FX	Snap-on Inc (NYSE: SNA), a global manufacturer and marketer of tools, diagnostics, repair information and systems, acquired Dealer-FX Group, Inc., which offers a digitized solution that increases dealership productivity and enhances the vehicle owners' service experience. This acquisition complements Snap-on's existing dealership business in its Repair Systems & Information ("RS&I").	2021	\$200 M	\$37 M	n.a.	5,4x	n.a.	Link	
Cars.com	Dealer Inspire	Cars.com Inc. (NYSE: CARS), a leading online automotive marketplace, acquired Dealer Inspire and Launch Digital Marketing ("LDM"), providers of digital solutions to automotive dealers focused on progressive dealer websites, digital retailing, messaging platform products and digital automotive marketing services, including paid, organic, social and creative services.	2018	\$165 M	\$41 M	\$4 M	4,0x	41,3x	Link	
Cox Automotive	Dealertrack	Cox Automotive,™ Inc., a leading provider of digital marketing, wholesale and e-commerce solutions for the automotive industry, acquired Dealertrack® Technologies, Inc. (NASDAQ: TRAK), a leader in software solutions and services for automotive retailers.	2015	\$4 B	\$854 M	\$193 M	4,7x	20,8x	Link	

Global Dealership SW Providers



Brazilian SW Consolidators



Online Car Marketplaces



Private Equity Firms



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Transaction Overview: LOI Terms & Timeline

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Atlante secured an LOI to proceed with exclusivity until December 2022, when signing is expected. Main acquisition terms are already agreed on in this document and validated by Phase I diligences finished in October, providing solid grounds to move forward with the SPA.

Background

- Atlante began analyzing the deal in April 2022 and executed an LOI on July 25th with a 90-day exclusivity. After renegotiating the price down given EBITDA adjustments from Phase I DD, an LOI amendment was signed securing new terms described below and extending exclusivity to December. Signing is expected by the end of December 2022, with closing by March 2023.

Acquisition Terms

- Purchase price set at BRL 72M for the full 100% stake acquired (approx. \$14M @ 5.20 BRL/USD), corresponding to an EV/Revenues multiple of 2.2x, and EV/EBITDA multiple of 8.0x.
- Earnout of up to BRL 18M (cap) linked to 2024 revenues and payed in 3 annual installments between 2025-27 (see next slide for detail).

Transition Period

- Founders to remain working side by side with Atlante for 2 years post-acquisition as company executives as a precondition for receiving the earnout and deferred payments from apr/2025-27.

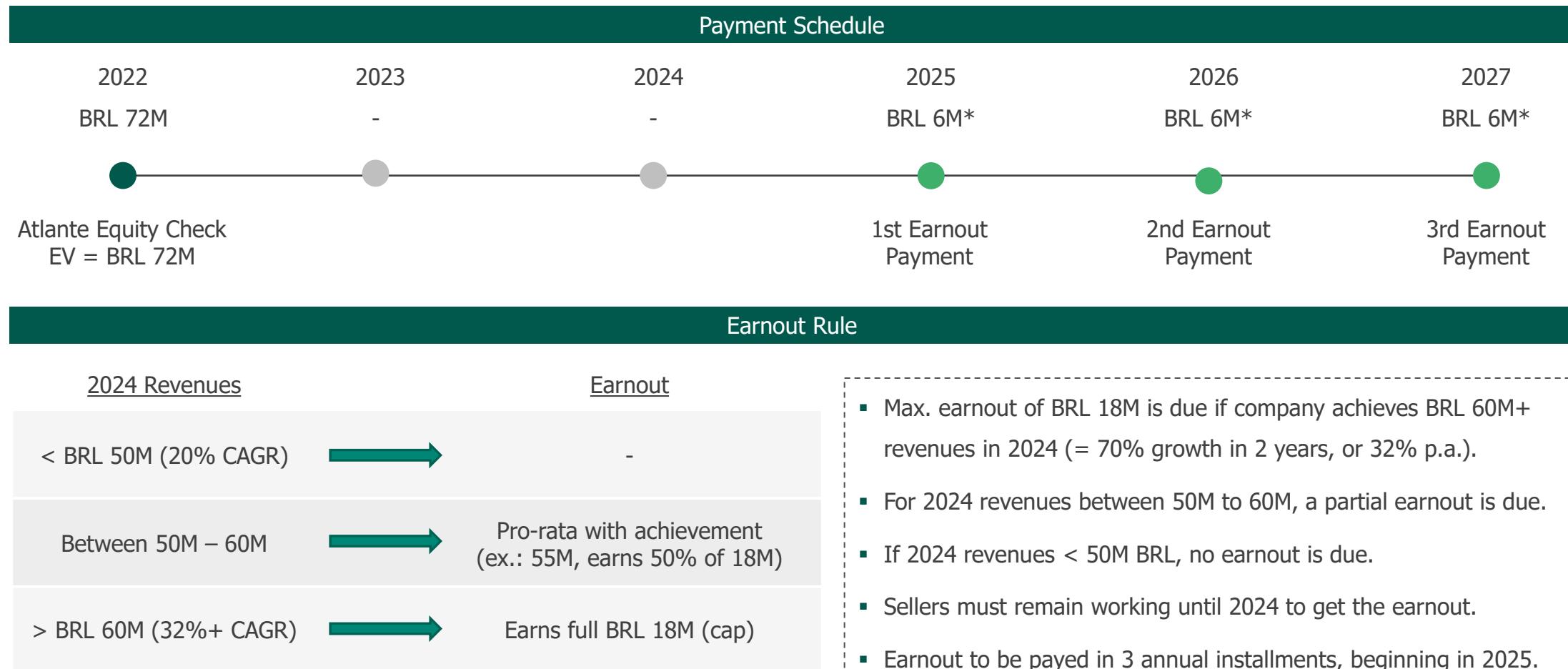
Deal Timeline

	March 2022	April - May	June 6th	June - July	July 25th	Aug - Oct	November 1st
Intro calls NDA Signed	●	●	●	●	●	●	●
Analysis, Meetings and Q&As							

Transaction Overview: Payment Schedule & Earnouts

ATLANTE CAPITAL

The acquisition structure entails an initial equity check of 72M plus up to 18M BRL in earnouts linked to a 2024 revenues target. Sellers will remain working with us at least until 2024, as a pre-condition to receiving earnout payments.



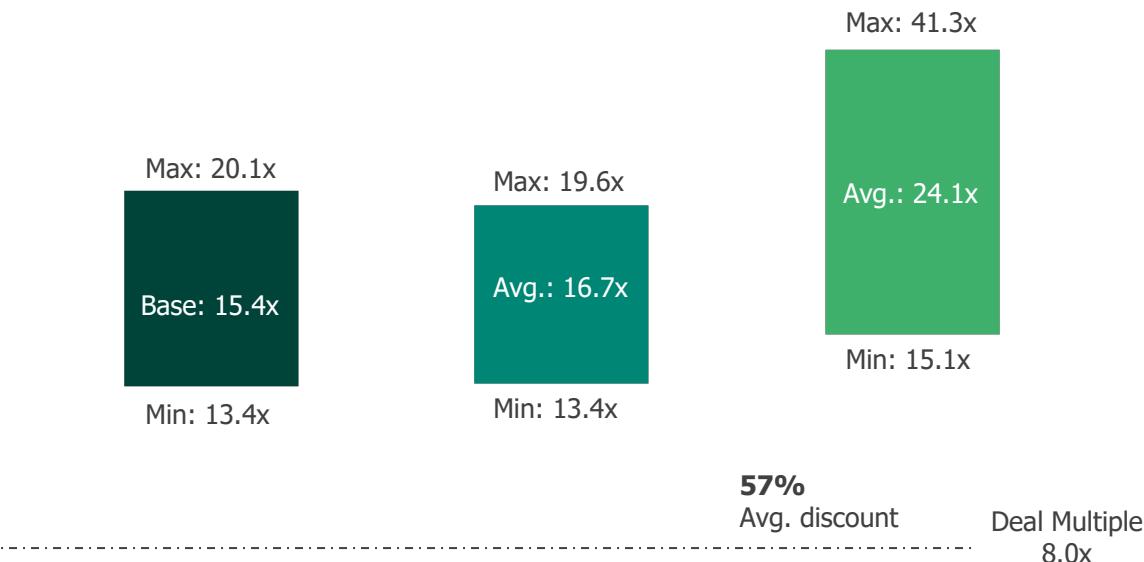
* Considering full earnout payment of BRL 18M, divided in three annual installments. Y2 and Y3 principal to be corrected by inflation rate (IPCA).

Transaction Overview: Valuation & Investor Returns

ATLANTE CAPITAL

The deal boasts expected net returns of 6.0x+ MOIC and 43%+ IRR in the base case, with the earnout component granting downside protection even in worst-case scenarios. Our entry multiple is at a sizeable discount of 50%+ across different valuation methods.

Valuation Methods
(LTM EV/EBITDA Multiples)



5-year Returns & Sensitivities
(Center: Net Investors IRR, Bottom Ranges: Net MOIC)

	Revenue Growth CAGR →				
	20%	25%	30%	35%	40%
Exit EBITDA Multiple ↓	7x	8x	9x	10x	11x
3.7x – 5.4x	29,6%	32,8%	36,3%	40,4%	44,7%
4.1x – 6.3x	31,5%	35,1%	38,8%	43,0%	47,5%
4.7x – 7.4x	33,4%	37,2%	41,1%	45,5%	50,1%
5.5x – 8.6x	35,2%	39,2%	43,2%	47,8%	52,6%
6.4x – 10.2x	36,9%	41,0%	45,3%	49,9%	54,8%
	38,6%	42,8%	47,2%	52,0%	57,0%
	40,1%	44,5%	49,0%	53,9%	59,0%

MOIC Ranges (Min. – Max.)

- **Discounted CFs:** Atlante's financial model results considering 3 scenarios.
- **Public Comps.:** Public Brazilian B2B SaaS. Min.: Sinquia; Max.: Locaweb.
- **Transaction Comps.:** Acquisitions in Automotive SaaS space.
Min.: Brookfield X CDK Global; Max.: Cars.com X Dealer Inspire.

- **Base Case:** Focus on existing business only and low-hanging fruit revenue opportunities (optimizing S&M of existing offers). Exp. CAGR ~ 30%.
- **Downside:** Growth slowed if no results from optimization of S&M in existing business and not attaining the new revenue opportunities. Exp. CAGR ~ 25%.
- **Upside:** Successful rollout of new offerings and Latam expansion. Exp. CAGR > 35%.

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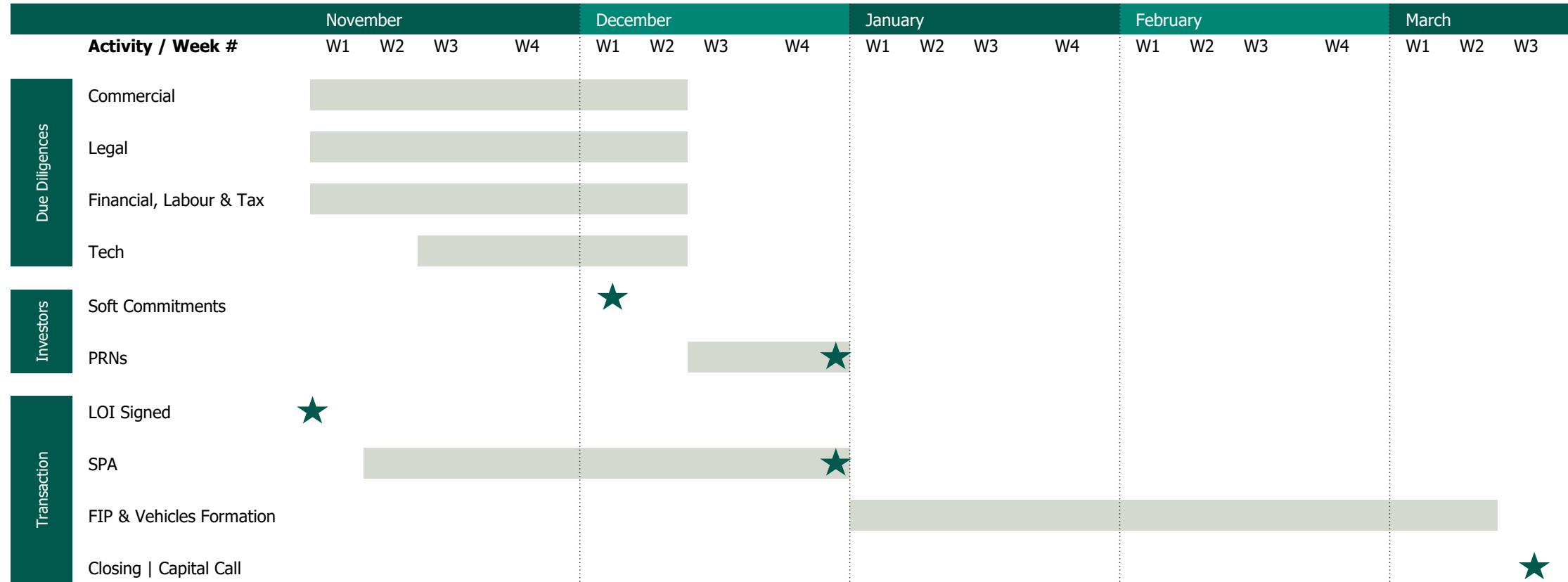
DD & Path to Closing

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DD & Path to Closing: Indicative Timeline

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We are partnering with TozziniFreire and Attica for legal and financial DDs, and Spellbound for tech/product diligence. SPA is also already under negotiation. Signing is expected to occur by the year end, with the capital call between February/March 2023 after vehicles are ready.



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Appendix: Selected Acquisitions by US and Brazilian Players

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There is currently a hot M&A market for dealership mgmt. systems and digital marketing tools both in the US and Brazil, with many consolidators having made acquisitions recently.

Buyer	Target	Description	Year	Deal EV	Target Revenues	Target EBITDA	Rev. Multiple	EBITDA Multiple	Press Release
US Consolidators Acquisitions									
Cox Automotive	Dealertrack	Cox Automotive, TM Inc., a leading provider of digital marketing, wholesale and e-commerce solutions for the automotive industry, acquired Dealertrack® Technologies, Inc. (NASDAQ: TRAK), a leader in software solutions and services for automotive retailers. Dealertrack's digital solutions enhance the efficiency and profitability for all major segments of the automotive retail industry, including dealers, lenders, vehicle manufacturers, third-party retailers, agents and aftermarket providers.	2015	\$4 B	\$854 M	\$193 M	4,7x	20,8x	Link
Brookfield	CDK Global	CDK Global, Inc. (Nasdaq: CDK), a leading automotive retail technology company, was acquired by Brookfield. "Brookfield recognizes the unique value our products bring to more than 15,000 retail locations in North America and shares our vision of transforming the future of automotive retail. We are excited about the opportunity to further sharpen our focus on elevating the dealer and consumer experience when selling, buying or owning a vehicle", said Brian Krzanich, CDK's president and CEO.	2022	\$8.3 B	\$1.8 B	\$548 M	4,7x	15,1x	Link
Cars.com	Dealer Inspire	Cars.com Inc. (NYSE: CARS), a leading online automotive marketplace, acquired privately-held Dealer Inspire and Launch Digital Marketing ("LDM"), providers of digital solutions to automotive dealers. Dealer Inspire has been rapidly growing by providing progressive dealer websites, digital retailing and messaging platform products. LDM provides digital automotive marketing services, including paid, organic, social and creative services. These will complement Cars.com's current suite of dealer solutions.	2018	\$165 M	\$41 M	\$4 M	4,0x	41,3x	Link
Snap-On Inc	Dealer-FX	Snap-on Inc (NYSE: SNA), a leading global manufacturer and marketer of tools, diagnostics, repair information and systems, acquired Dealer-FX Group, Inc., which offers a digitized solution that increases dealership productivity and enhances the vehicle owners' service experience. This acquisition complements Snap-on's existing dealership business in its Repair Systems & Information ("RS&I") Group that provides electronic parts catalogs, essential tool and diagnostics programs to more than 50,000 dealerships globally.	2021	\$200 M	\$37 M	n.a.	5,4x	n.a.	Link
Brazilian Consolidators Acquisitions									
Totvs	RD Station	Totvs SA acquired RD Gestão e Sistemas S.A. ("RD Station"), a provider of marketing automation and CRM SaaS to SMB customers in Brazil. RD Station provides a cloud software platform to attract, manage and convert marketing leads, including lead generation, lead nurturing and analytics tools. The acquisition strengthens Totvs' suite of digital marketing and Cloud CRM tools.	2021	\$385 M	\$40 M	n.a.	9,6x	n.a.	Link
Locaweb	Octadesk	Locaweb acquired Octadesk, a chat management platform to help companies in lead generation, sales and customer service, connecting consumers to companies through digital channels. This acquisition further strengthens Locaweb's CRM & digital marketing offerings for the SMB segment, adding over 2.5k stores to its client portfolio.	2021	\$20 M	\$5 M	n.a.	4,0x	n.a.	Link
Stone	Linx	NASDAQ-listed payments processor StoneCo. acquired Linx, a market-leading Brazilian company specializing in technology for the retail sector. With this acquisition, Stone expects to add up to over BRL 300 billion in payments processed in its platform, integrating its payment solutions with existing Linx retail clients, while also further diversifying its operations into the B2B software segment.	2020	\$1.3 B	\$168 M	\$ 22 M	7,7x	n.m.	Link

Appendix: Recent SaaS Transactions in Brazil

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The Brazilian SaaS market is booming with several local strategic players making sizeable acquisitions in the past year, at multiples comparable to US transactions.

Buyer	Target	Description	Year	Deal EV (BRL)	Target Rev. (BRL)	Rev. Multiple	Press Release
Locaweb	Vindi	Locaweb, a leading Brazilian internet services company, acquired Vindi, a SaaS startup that provides major Brazilian companies with payment processing and management software.	2021	180m	35m	5.1x	Link
Locaweb	Squid	Locaweb, a leading Brazilian internet services company, acquired Squid, a company that connects influencers and content creators to brands via a proprietary platform.	2021	180m	50m	3.6x	Link
Locaweb	Octadesk	Locaweb, a leading Brazilian internet services company, acquired Octadesk, a chat management platform with tools for lead generation, sales and customer service.	2021	102m	25m	4.1x	Link
Locaweb	Bling	Locaweb, a leading Brazilian internet services company, acquired Bling, an online enterprise resource planning (ERP) provider targeting micro-to-small businesses.	2021	524m	60m	8.7x	Link
Totvs	RD Station	Totvs, a leading Brazilian ERP provider, acquired RD Station, a marketing automation startup in one of the largest SaaS acquisitions in Latin America so far.	2021	1.9B	206m	9.8x	Link
Sinqia	FEPWeb	Sinqia, a software and innovation company for the Brazilian financial sector, acquired a 60% stake in FEPWeb, a Fintech startup focused on digital transactions solutions.	2021	63m	13m	4.9x	Link
Sinqia	Simply	Sinqia, a software and innovation company for the Brazilian financial sector, acquired Simply, a marketing startup specializing in opening digital accounts for banks and neobanks.	2021	68m	17m	4.0x	Link
Locaweb	Dooca	Locaweb, a leading Brazilian internet services company, acquired Dooca Commerce, a virtual store platform focused on SMEs.	2021	27m	5m	5.4x	Link
Locaweb	ConnectPlug	Locaweb, a leading Brazilian internet services company, acquired ConnectPlug, a startup offering a system for restaurants and retail point-of-sale solutions.	2021	18m	4m	4.5x	Link
						Average	5.6x