



Business Overview

May 2019

QuintoAndar: The platform for housing

Overview

- **QuintoAndar facilitates the rental process from start to finish:** search, transaction, and rental management all in a modern app.
- Tenants enjoy a **seamless experience without the friction of a costly guarantee**, and landlords benefit from **higher liquidity, more income, and the best guarantee on the market** all for the same price

Key metrics

- Over **25,000 rentals under management** and 12,000 available for rent
- Over **8,000 new rentals** added in Q1 2019, **up 4x YoY**
- **Annual run-rate GMV of R\$700mm** and **revenue of R\$101.4mm**, growing **3.1x**
- Over **4x LTV/CAC** and **70% gross margin** in Q1 2019
- Rapidly launching new cities, **expanded to 9 markets in 2018**
- Product centric culture with over 200 employees in product/eng



World-class team with strong product-driven culture

Gabriel Braga
CEO



STANFORD
BUSINESS



Search
Fund

André Penha
CTO



STANFORD
BUSINESS



Thiago Tourinho
COO



STANFORD
BUSINESS



TARPON
INVESTIMENTOS

McKinsey
& Company

Dave Sherry
CFO

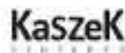


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McKinsey
& Company

Backed by world class investors



Kevin Efrusy
Partner @ Accel



Born to solve a huge pain point:

Everyone needs to live somewhere, and now more and more people prefer ***housing as a service...***

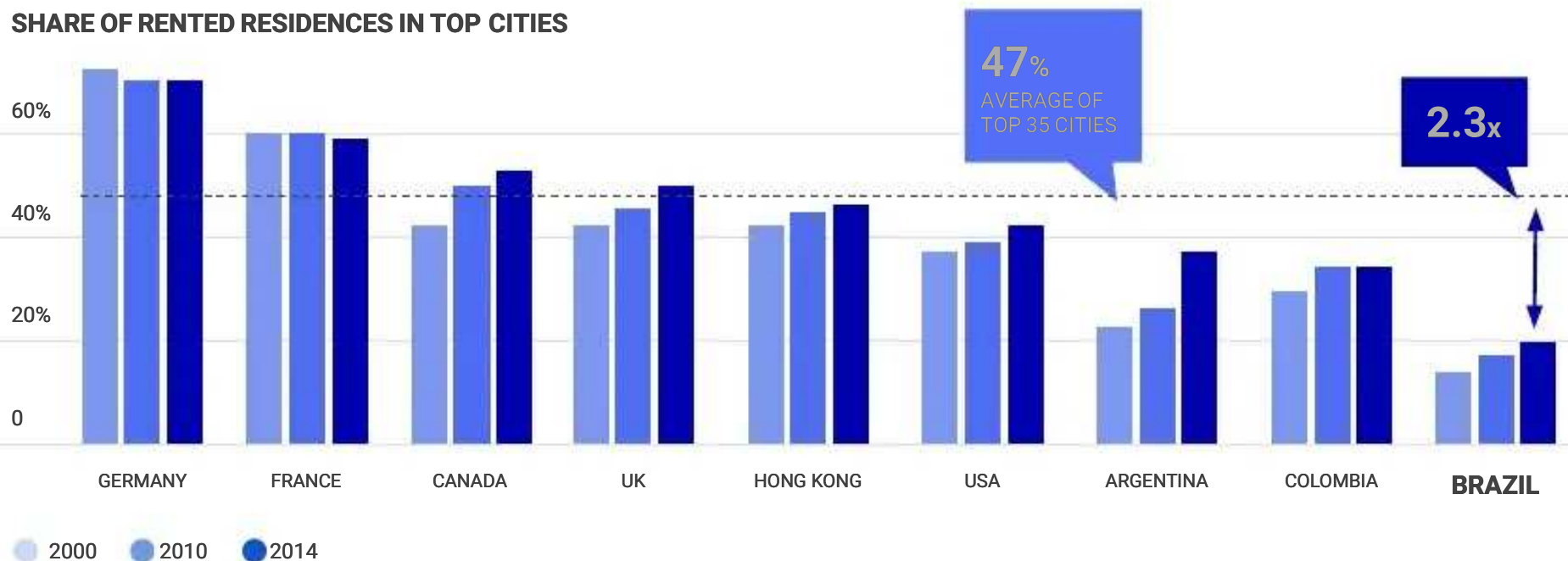
...but renting is a hassle.

Rental market in Brazil is massive...








...and has the potential to be significantly larger.

SHARE OF RENTED RESIDENCES IN TOP CITIES



However, the current rental experience is disjointed and expensive

| | <div>Search</div> <div></div> | <div>Visit</div> <div>Offline Agents</div> <div></div> | <div>Transaction</div> <div>Offline Agents</div> <div></div> | <div>Guarantee</div> <div></div> | <div>Manage</div> <div>Offline Agents</div> <div></div> |
|-----------------|--|---|--|---|--|
| Tenant | <p>Poor quality, misleading duplicated listings across lots of sites</p> <p>Search starts online but quickly moves offline</p> | <p>Many many unproductive visits with a single broker</p> | <p>Game of telephone as broker plays intermediary while trying to force a deal to secure the unit</p> | <p>Tenants have three expensive options:</p> <ul style="list-style-type: none">+ Three-month deposit+ Guarantor+ Insurance | <p>Distracted and unreliable broker that acts as a frustrating intermediary</p> |
| Landlord | <p>Wasted time with tons of brokers seeing to represent property on a non-exclusive basis</p> | <p>Inaccurate listings lead to wrong visitors, meaning longer vacancies</p> | <p>Brokers charge first month's rent</p> | <p>Extended vacancies as many tenants cannot meet or afford the guarantee requirements</p> | <p>Brokers charge landlords 8-10% of monthly rent</p> |

QuintoAndar solves this with a seamless solution, from start to finish

Search



Visit



Transaction



Guarantee



Manage



Tenant

Every listing is verified by photographers.

Search 100% self-service

Landlord

Professional photos capture apartment accurately avoiding disappointed visitors

Instantly book visits online

... and visit with reviewed, independent agents.

Fewer wasted visits

Shorter vacancies

Direct negotiation with landlord inside the app.

Fast closing with online credit analysis and digital contracts.

Same price as brokers (first month's rent)

Tenants don't need to provide any type of security, the guarantee is free

... but landlords get best form of protection

Savings on guarantee translate to higher rents





Pleasant rental experience:
+ caring support
+ assistance for repairs
+ fair intermediary
+ centralized billing

Same or lower price than brokers at 7-8% of monthly rent

...raising the bar on the security for landlords...

Traditional Market

QuintoAndar

| |  Guarantor |  3 months deposit |  Rental insurance |  QuintoAndar Guarantee |
|-----------------------------|--|---|--|--|
| Tenant friction | Difficult to find as requirements are high | Liquidity constrained by upfront payment | Incredibly expensive (15% of rent per year) | Free |
| Impacts for Landlord | ~6 month rent delay until jury enforces guarantor to pay | Delinquency above 3 months rent | 2 months cash flow delay until insurance kicks in | No delays 100% rental coverage until actual eviction + R\$1mm damage coverage per property |

...for a lower total transaction cost.

| Assuming 24 months from date of listing... | Status-quo | QuintoAndar |
|--|-----------------------------|-----------------------------|
| Cost of vacancy: | 11.8% ~2 months | 5.9% ~1 month |
| Brokerage fee: | 4.2% 100% first rent | 4.2% 100% first rent |
| Management fee: | 7.9% ~9% of monthly rent | 7.3% ~7% of monthly rent |
| Total transaction cost: | 23.9% | 17.4% |

All percentages calculated as % of total rent in the period of analysis (ie: 24 months minus vacancy). Cost of vacancy includes lost rent income as well as condominium and taxes.

The background is a solid blue color. Overlaid on this are numerous thin, white or light blue lines that create a sense of depth and perspective, resembling a stylized cityscape or a complex architectural drawing. These lines form a grid-like structure that recedes into the distance. Scattered throughout this grid are several three-dimensional rectangular blocks of varying sizes and orientations. Some blocks are upright, while others are tilted, giving the impression of floating or being placed on the grid. The overall effect is a modern, geometric, and abstract visual.

Our performance

It all starts with very happy customers...



“LANDLORD

Rita A.

FEB 2018 - Facebook

My apartment was empty for almost an year until a friend recommend QuintoAndar. We found a tenant in less than a month!

“TENANT

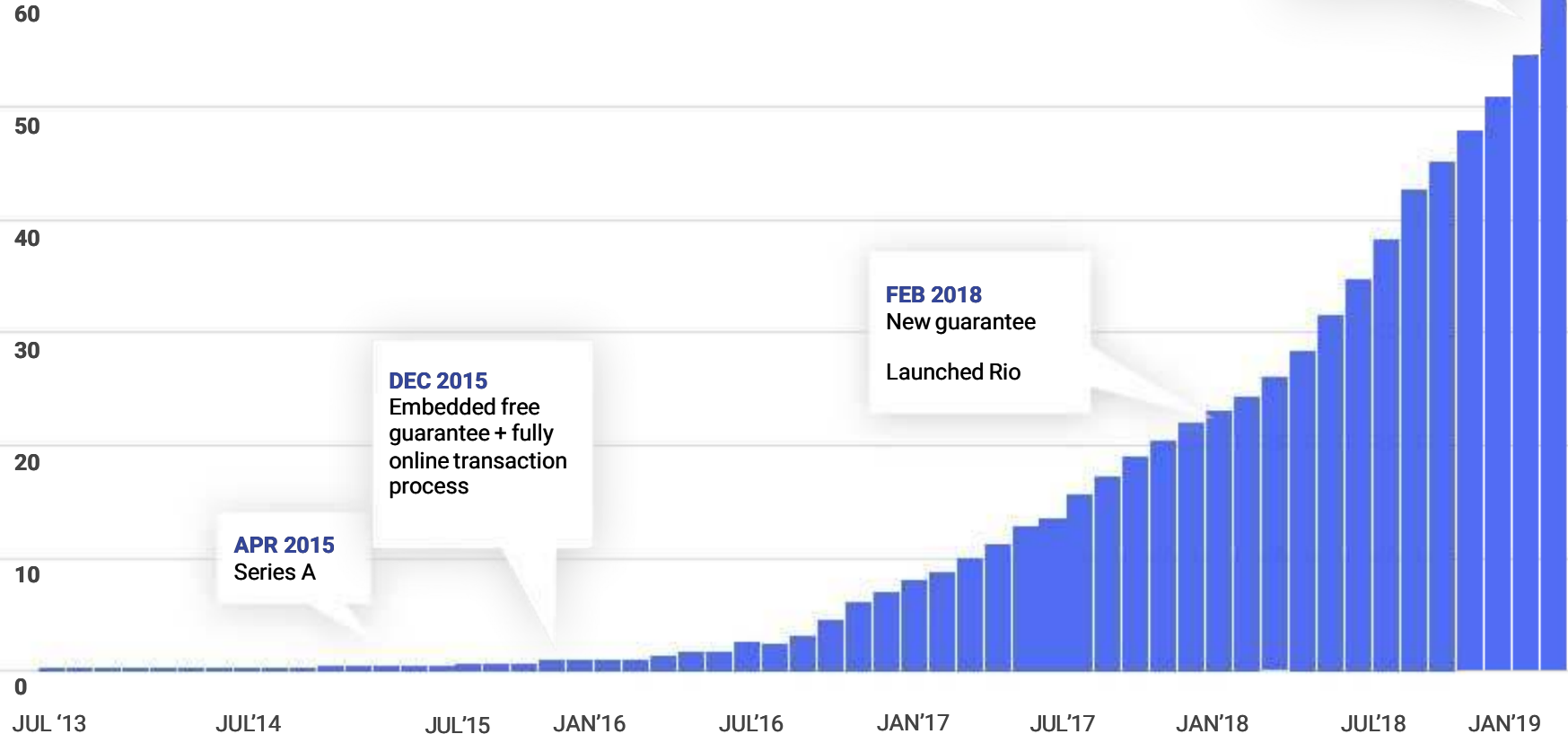
Luciana M.

JUNE 2018 - Google Review

I moved from Rio to São Paulo and needed to rent an apartment without having a cosigner or rent insurance and it was only possible with QuintoAndar. Nice apartments, good prices, transparency and nice agents allowed me to solve everything in less than 10 days.

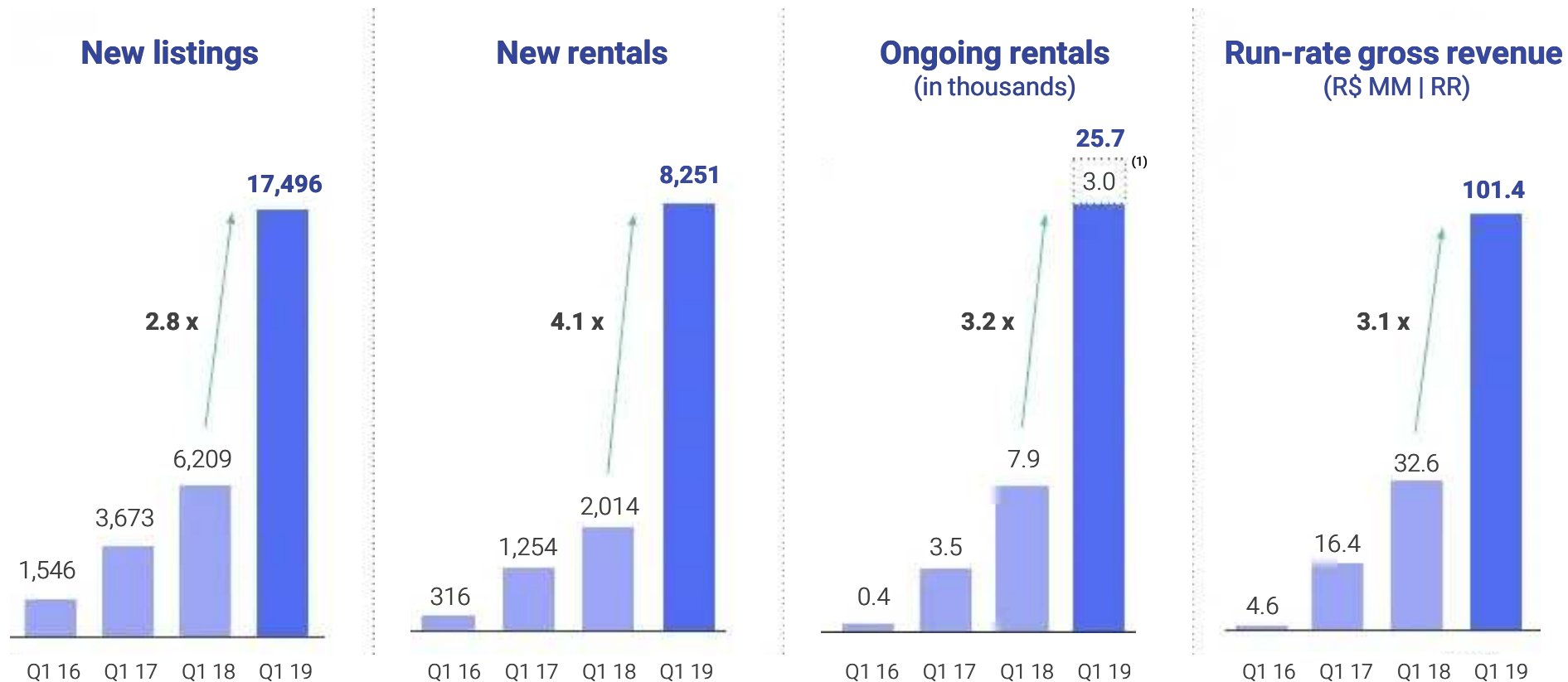
...enabling us to grow at a rapid pace...

MONTHLY GMV in R\$ MILLION



Note: Monthly GMV accounts for all rent, condominium and property tax amounts transacted in our platform

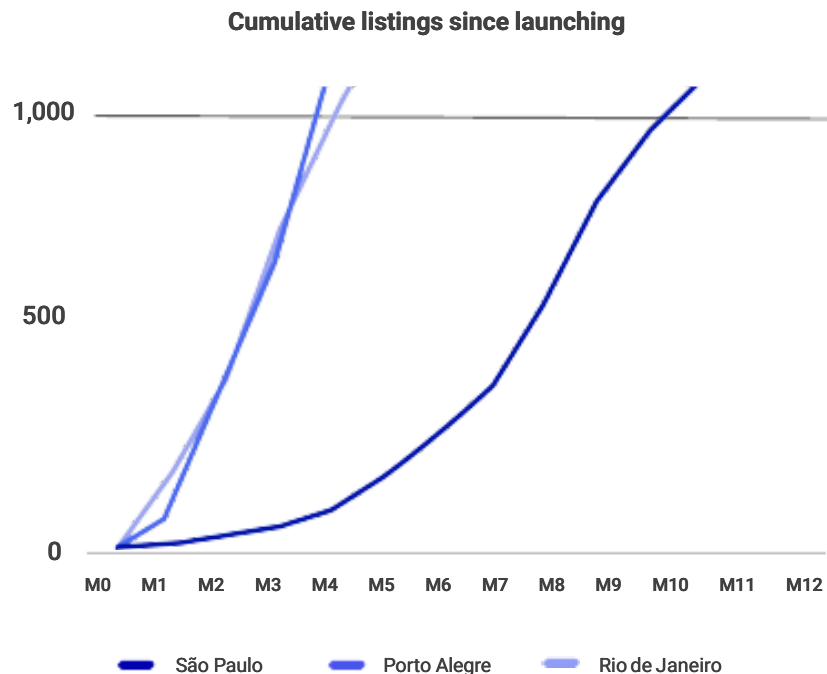
...and key metrics show further acceleration...



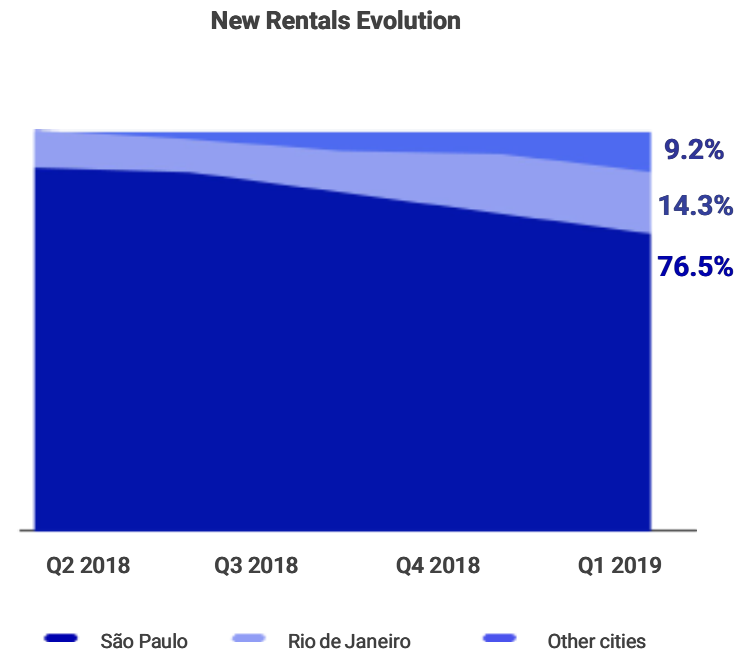
Note: (1) accounts for the number of contracts via R2R partnerships

..with new cities ramping even faster than São Paulo

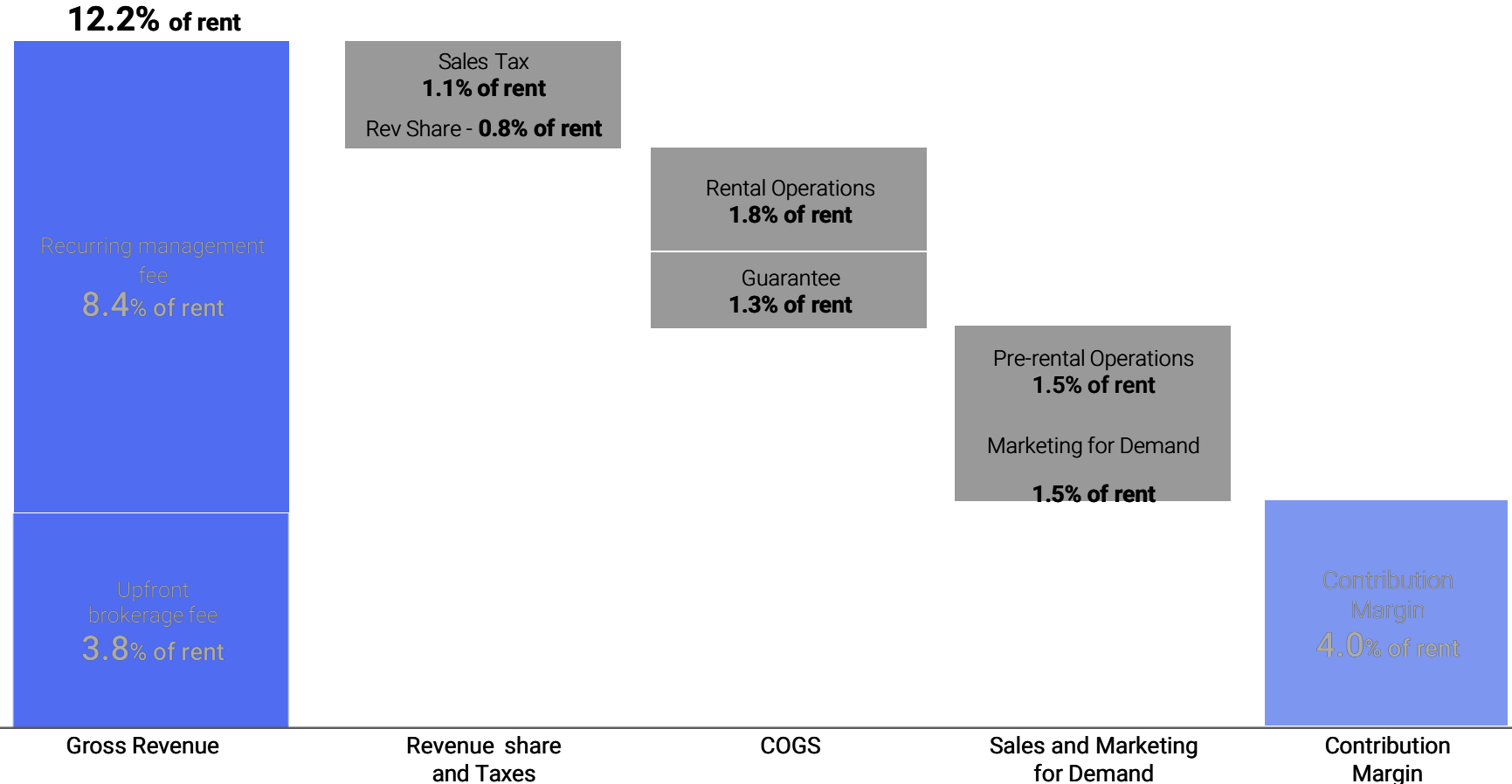
Supply is scaling much faster than in SP
and accelerating in every new cohort...



leading to ~25% of new rentals from
outside of São Paulo in less than a year.

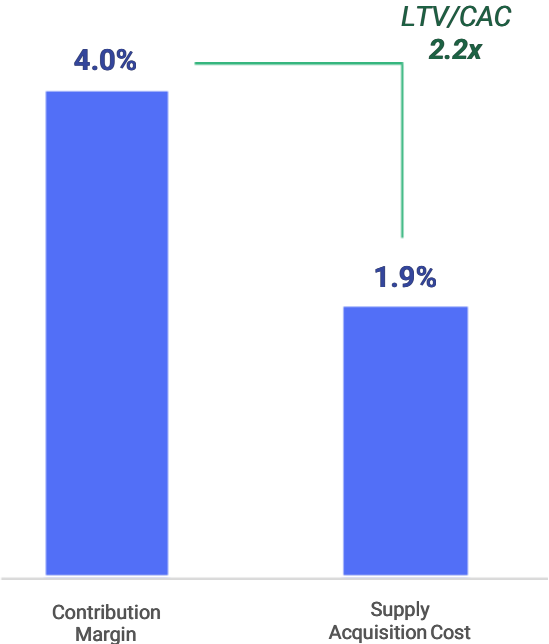


We earn a significant margin from the fees we charge landlords...

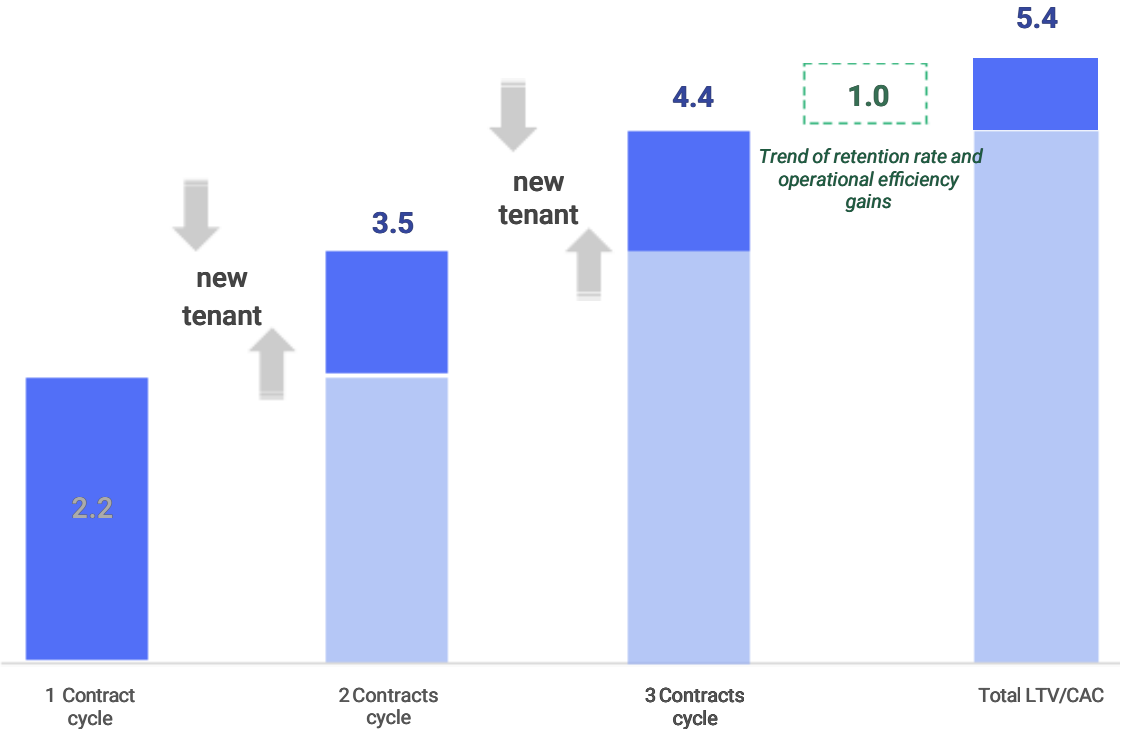


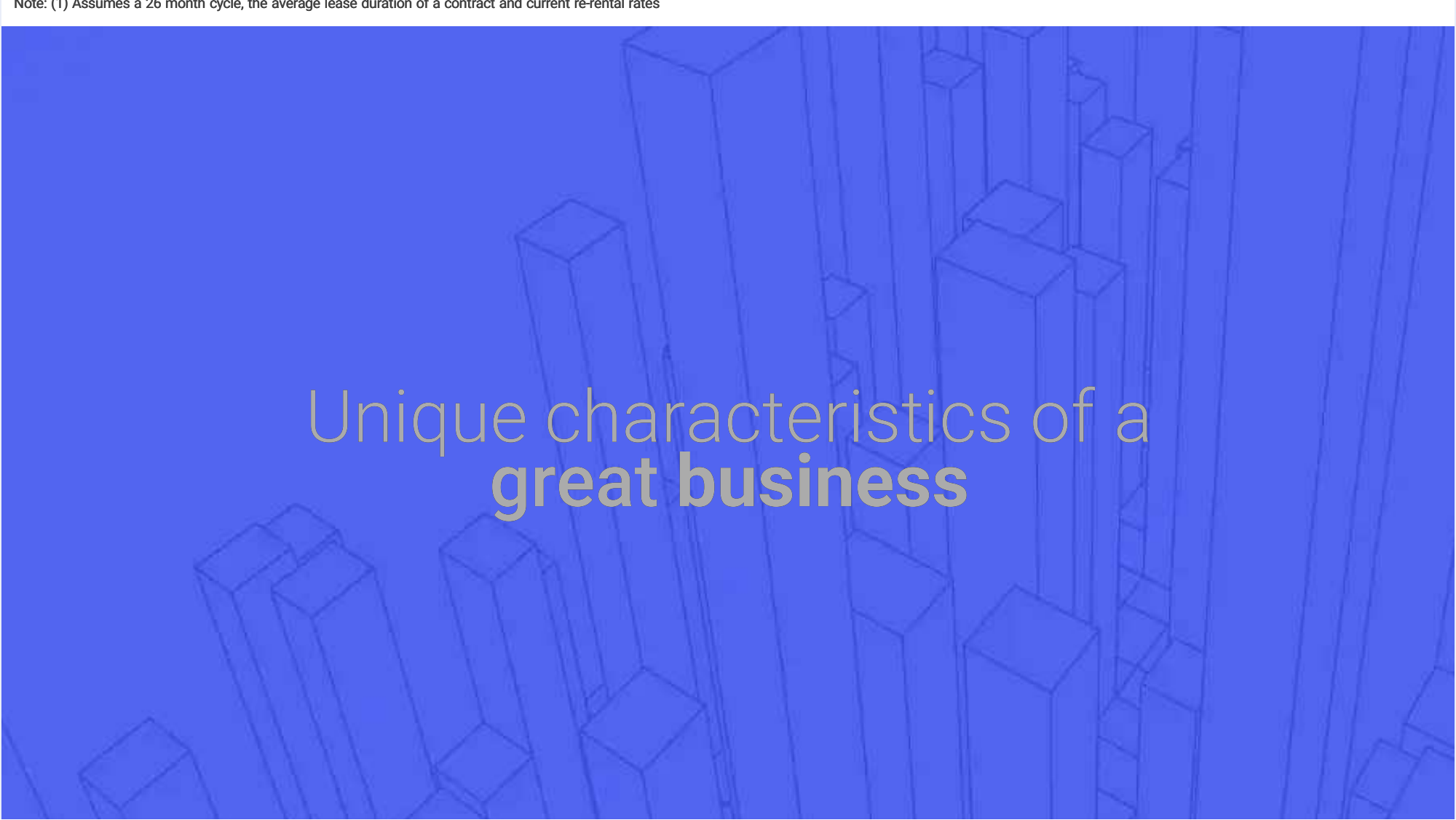
...leading to very profitable property acquisition

First Contract Unit Economics
(As a % of GMV)



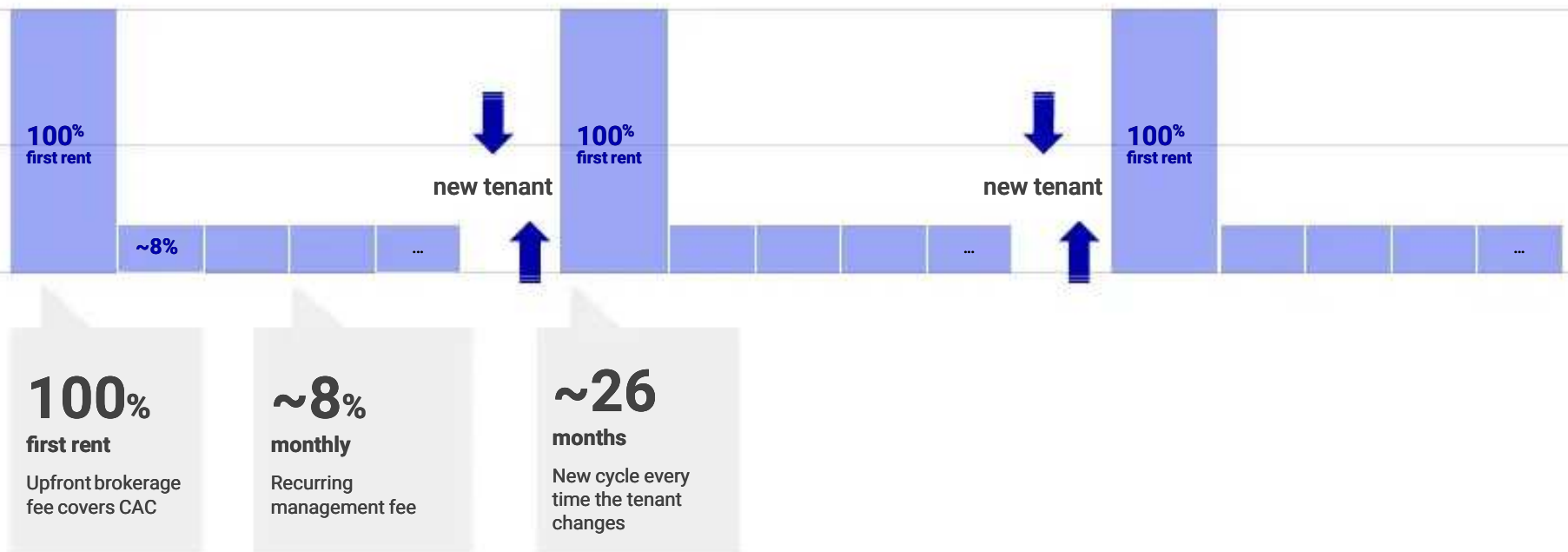
LTV/CAC Evolution of a Rental Property⁽¹⁾



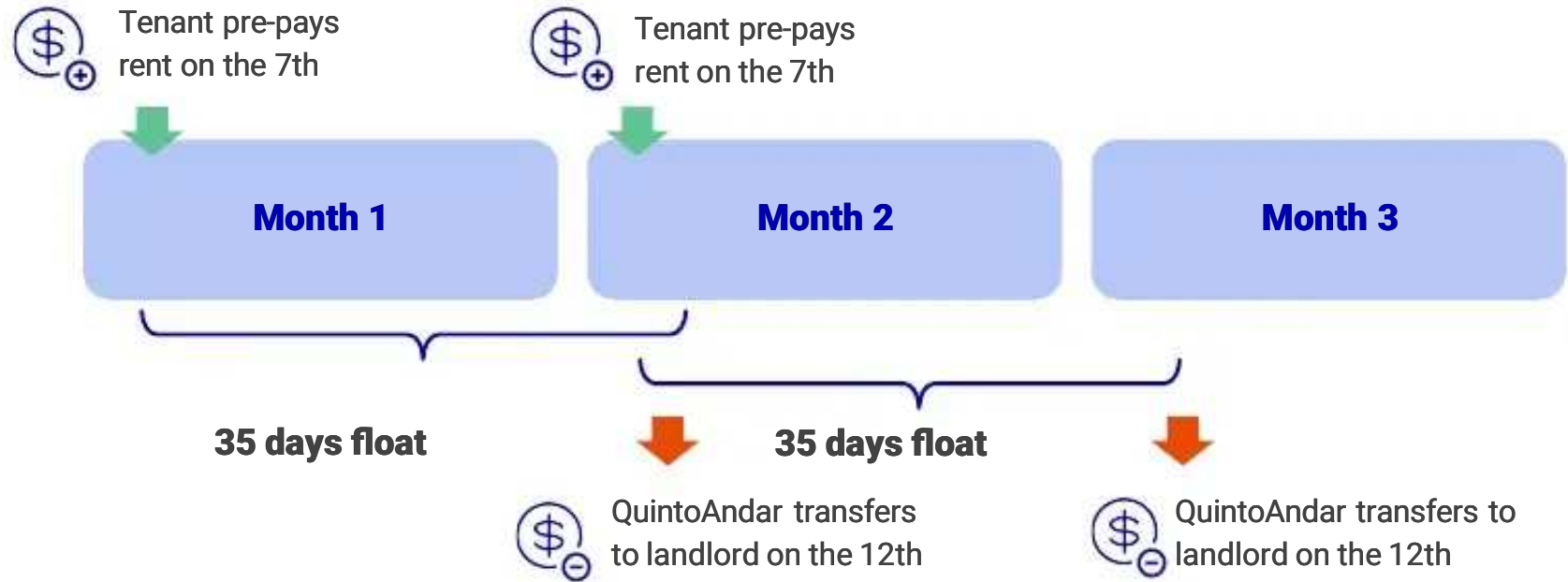


Unique characteristics of a **great business**

Revenue streams that combine the power of recurring SaaS with the upfront payment of a marketplace



Incredible working capital dynamics

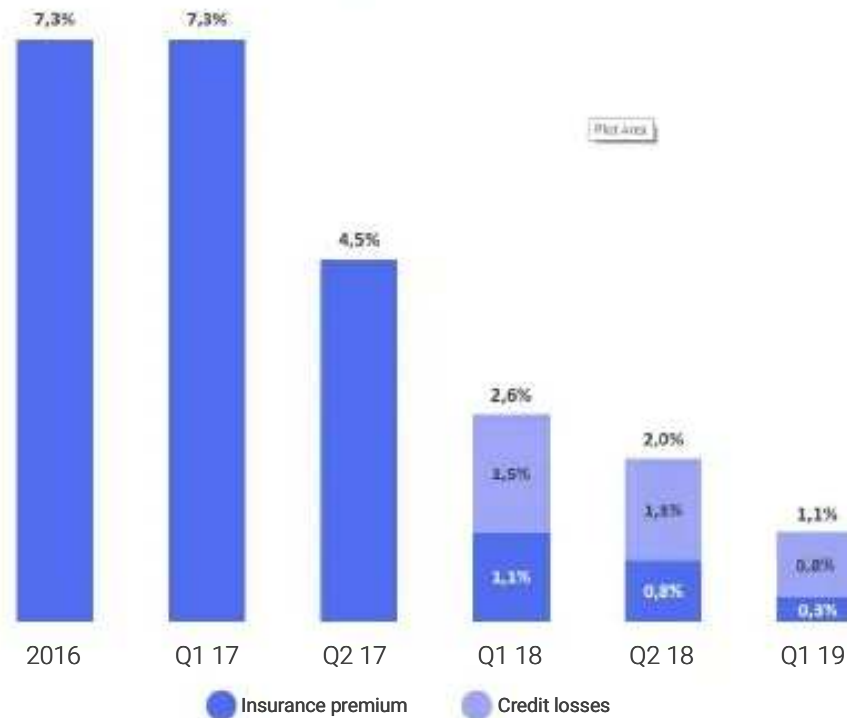


Note: According to current rental regulation: (a) if the tenant provides a rent guarantee he pays the rent in the end of the month; or (b) if the tenant does not provide a rent guarantee, he can be charged upfront (ie: in the beginning of the month). The market practice is post-paid rent (ie: model "A"), but since QuintoAndar eliminates the need of guarantees from tenants, we are allowed to charge rent upfront but only transfer to the landlords in beginning of the following month (as they're used to get paid)

Hard to replicate: Best guarantee at no cost

Guarantee cost evolution

% of Rent GMV



QuintoAndar's guarantee strategic advantages:



Better Underwriting:

- Scoring enhanced by proprietary data from tenant behavior before (and during) application process, including units visited, data entry patterns, and search timeline
- Ability to match tenant risk level with the liquidity of units. Enforcing hot properties to only have best tenants vs higher risk at slower rentals

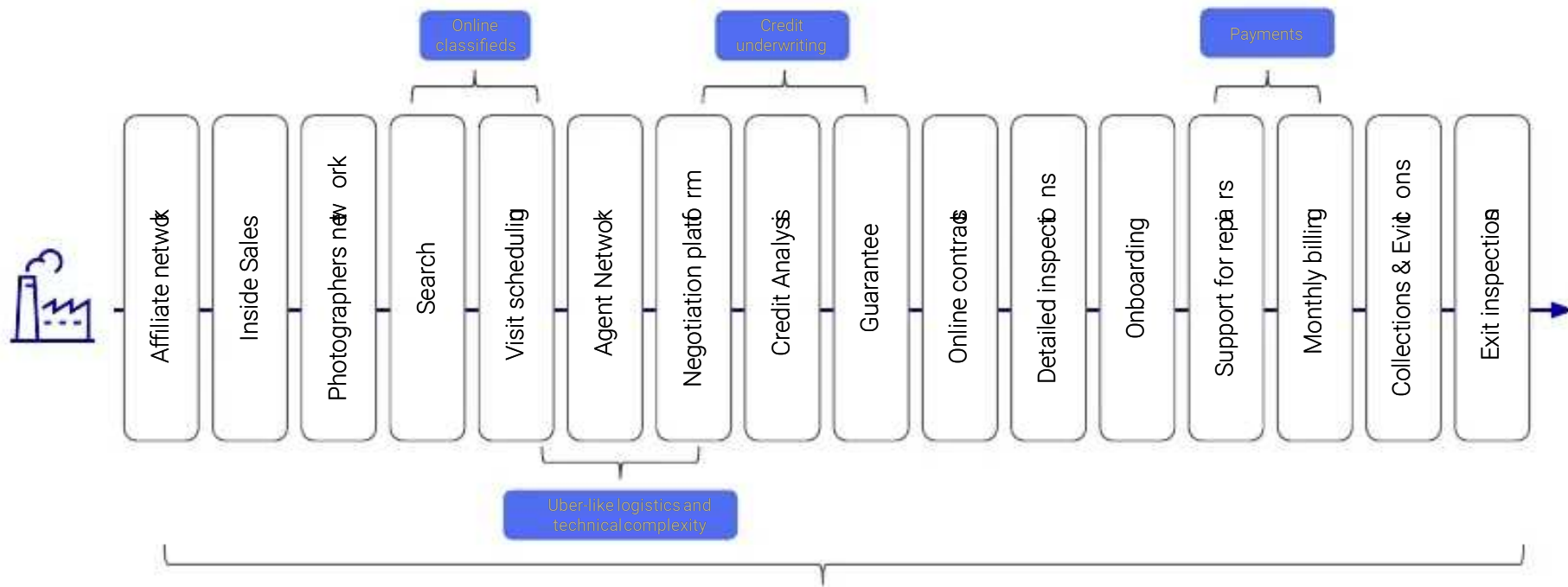


Better loss prevention:

- Because we charge rent in advance, we know earlier than any insurance provider when tenants are delaying payment.
- As both the property manager and guarantee provider, we are able to proactively manage out tenants that are unable to pay

Hard to replicate: Easy to use, end-to-end solution

Amazing customer experience requires intricate technology to deal with complex end-to-end operations



Great products require a great factory. The only genuinely tech-driven company in the space.

Easy to say, hard to do. *Shaper Culture* (not follower) with proven ability to deliver amazing tech and CX.

200+ team of world-class engineers, data scientists, and designers.

Hard to replicate: Uniquely powerful network-effects

Very fragmented supply and **absence of MLS** reinforces bargain power of the platform.

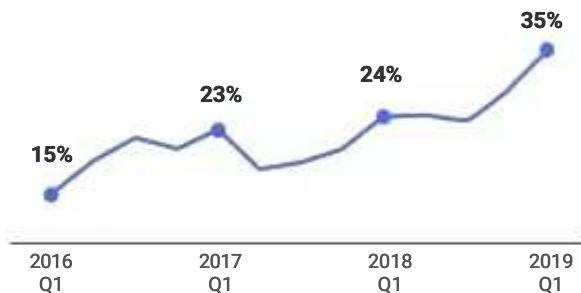
Heterogeneous inventory and **Exclusive Listings** increases the cost of switching from the dominant platform.

Certified branded rentals further reinforce the attractiveness and exclusiveness of our inventory strengthening such dynamics.

Unique supply

Unparalleled liquidity

Conversion listing-to-rental in 8 weeks (SP)



Proprietary data

Uniquely granular data combined with **AI on pricing** provides for better returns.

Smarter credit decisions allow us to balance liquidity with lowest costs due to scale of proprietary data pool

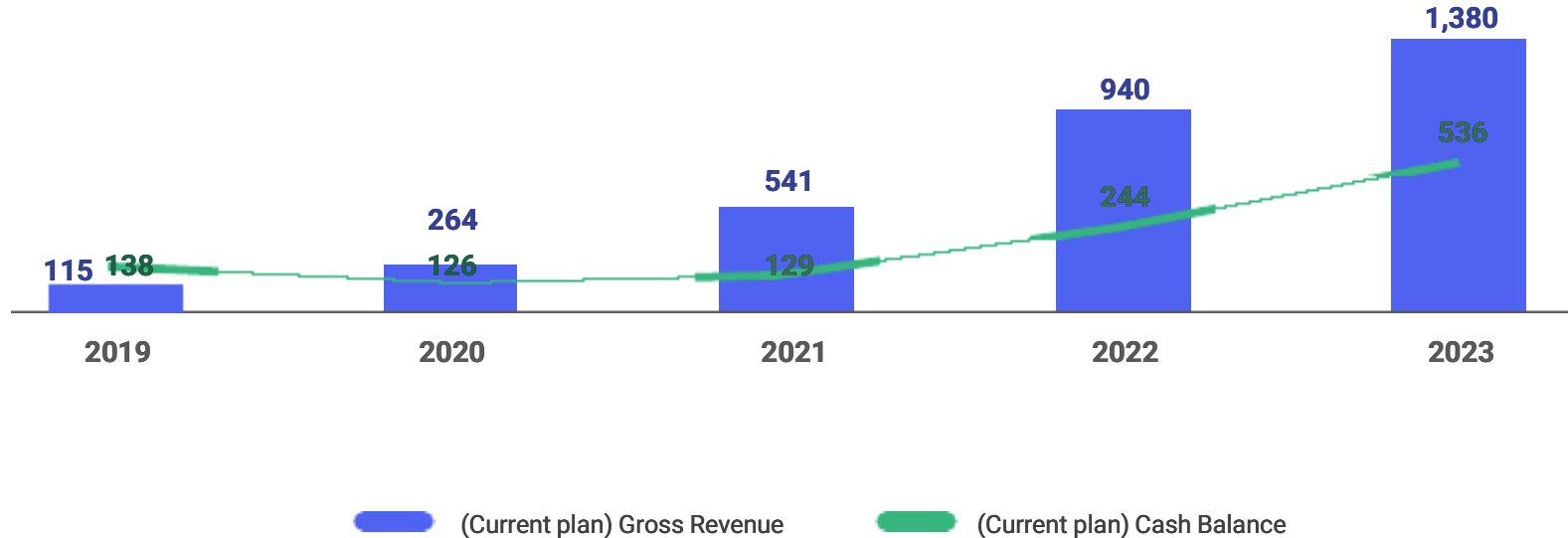
Go-to destination for the demand



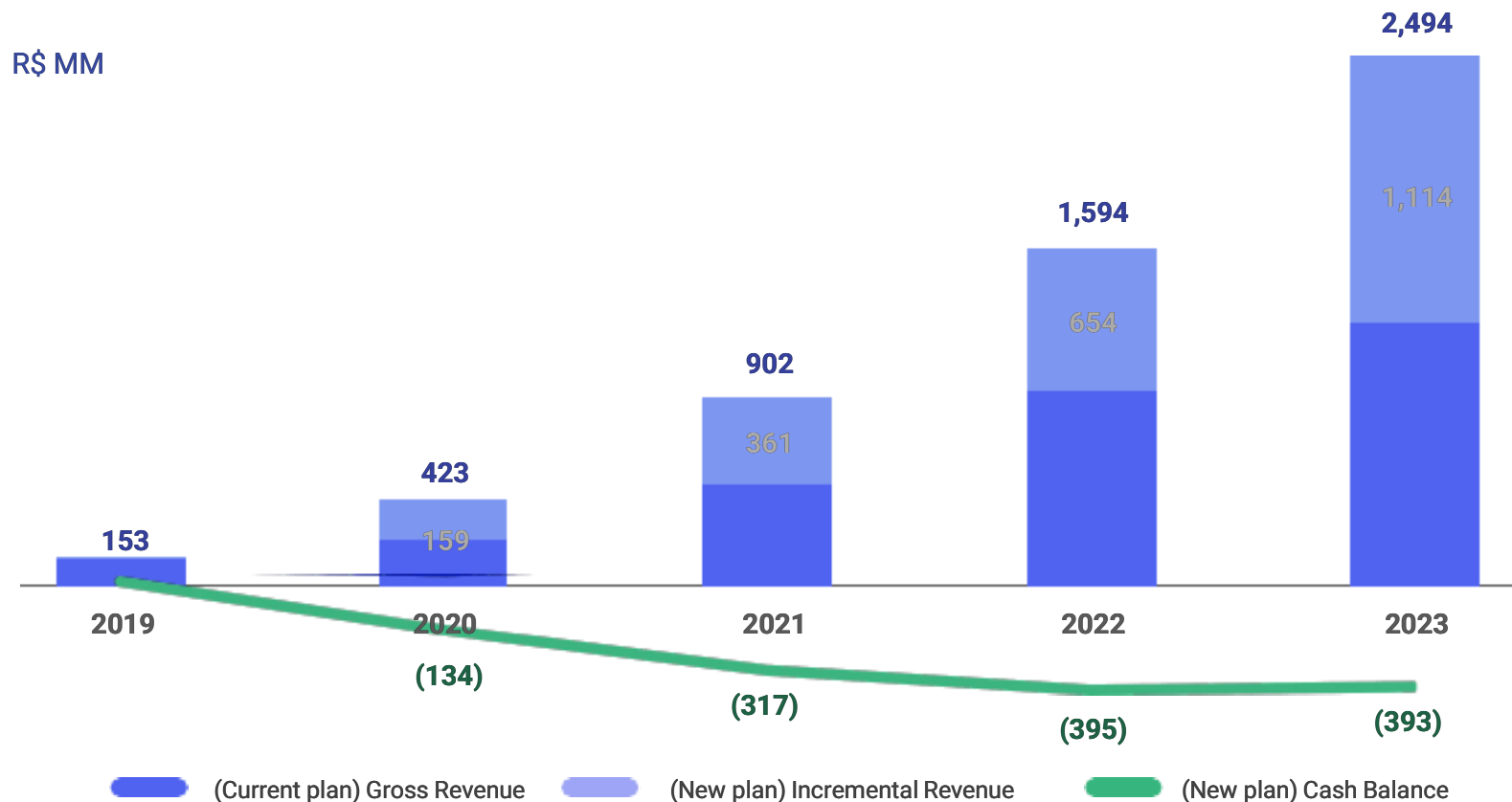
We're doing well,
but we can grow even faster

The company is self sustainable on the current plan...

R\$ MM



... but with additional capital we can reach R\$2.5B in topline in 2023



Levers to accelerate current business in Brazil

1

Propel acquisition

2

Channel expansion

3

Originals

4

"Own" the supply



PROPEL ACQUISITION

More aggressive market share acquisition



Build a Brand

Aggressive PR and advertising campaign focused on QuintoAndar's mission to make rent easier for tenants and more profitable for landlords

Company has never invested in brand before, but the time is right now for a mass market message that establishes QuintoAndar as **the destination for rentals**



Spend more to acquire supply

Given the size of the opportunity and the potential for the winner to take a significant share, it's worthwhile, in the short-term, to lower our unit economic targets to reach scale

Target LTV/CAC of 1x on first contract rather than 2x+



Increase liquidity

Incentivize agents based on conversion rates and rented units to align interests

Experiment with underwriting guidelines to increase approval rates, especially on stranded properties. Current loss rates are leaving money on the table

Leverage our data to provide more refined pricing

recommendation to landlords

CHANNEL EXPANSION

Transform competing brokers into allies



Affiliates

We have built a network of

thousands of agents and doorman who refer listings to us enabling high local density.



Affiliates Pro

Instead of competing, small brokers

will be able to either refer properties or migrate their contracts in exchange for a fee.



Affiliate Prime (B2B)

Exclusive partnerships with large

brokers who represent owners in our platform in exchange for revenue share. We also secure future market-share by acquiring brokers existing portfolio and gradually migrating the properties to our platform as leases end.

ORIGINALS

Ultimate rental experience in exclusive branded listings



**We know
what
matters**

FOR TENANTS

Smart algorithms backed by extensive data to predict what demand looks for

FOR OWNERS

Renovation projects focused on features for yield: rent faster with optimal price



**We plan and
execute**

Exclusive listings with unique set of features and design

No execution headaches.

End-to-end process with contractors and suppliers managed by QuintoAndar.



**No upfront
cash needed**

Enables a lifestyle that amplifies the rental opportunity.

No upfront costs.

QuintoAndar deducts product cost in installments once the unit is rented.

PLATFORM DOMINANCE

Leverage data to own the supply and drive liquidity

**STEP 1:**

Leverage our extensive market data set to identify hot or underpriced properties

STEP 2:

Instantly offer to rent from Landlord securing property from market right away

STEP 3:

Sublet to final tenant with Dynamic Pricing driven by AI



and rentals in Brazil are just the beginning

Renting is a hassle in most places.

We will target the largest and messiest cities, not limited to Latam.

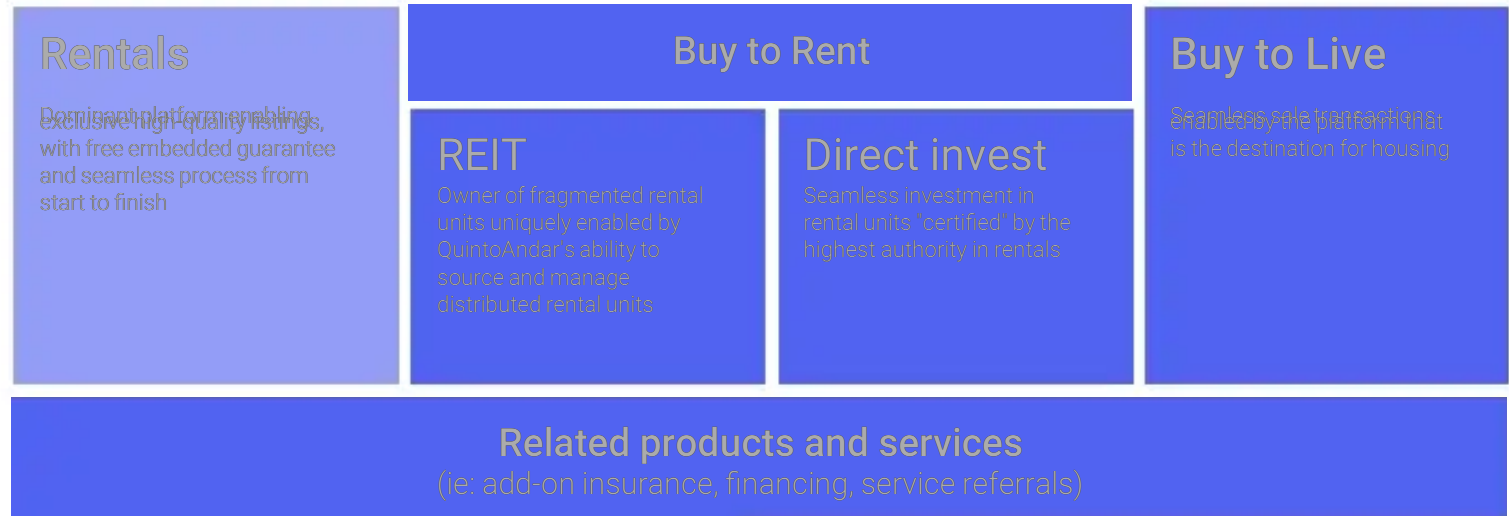


Prioritization criteria:

- Issues with guarantee
- Supply is fragmented
- Landlords suffer with long vacancies, weak online classifieds

Our vision is to build

THE PLATFORM FOR HOUSING



Besides being a great business by itself, rentals are the best foundation for the entire platform

Strategic sourcing

- **Long-tail Affiliates:**
massive network with >100K members referring >40k leads per month for rentals only

our agents do millions of visits which are unique opportunities to source fresh inventory
- **Exclusive Affiliate Brokers**
leverages local credibility and eliminates competition.
- **Large Ongoing Portfolio**
insight on future sellers & buyers

The frequent destination

- Higher turnover leads to more frequent interactions with both sellers and buyers
- Ongoing **trusted** relationship with owners and residents

Forced to be super efficient

- Despite larger revenue pool, rental transactions are neglected by current players due to lower ticket, high friction, super fast turnover.
- We've built a platform and a **cost structure that works for low-ticket rental transactions.** It's easier for us to move upstream than the other way around.

Replicate our impact on housing to become

THE PLATFORM FOR SMALL COMMERCIAL REAL ESTATE

Sourcing

Synergies

- Current landlords, affiliates, and partner brokers also own or work with small commercial real estate and constantly demand us for a solution
- Supply is also very fragmented with even higher liquidity issues



Distribution

Synergies

- Searching and visiting fragmented inventory with huge asymmetry of information is equally hard and inefficient
- Higher density of inventory and higher average ticket could make our agents more productive and reduce cost of renting
- Weak competition: served by same small mom & pop brokers and neglected by online classifieds and large brokers such as CBRE and Cushman



Transaction

Synergies

- Similar pain with guarantees

It's a R\$100B+ market opportunity

| | For Rent (BR) | For Sale (BR) | ADD-ONs (BR) | CRE (BR) | INTERNATIONAL |
|---------------|-----------------------|-----------------------|--|----------------------|---------------|
| TAM | R\$40B ⁽¹⁾ | R\$30B ⁽¹⁾ | 1% of total GMV (for sale + for rent) | 20% residential | R\$50B+ |
| SAM | R\$17B ⁽¹⁾ | R\$10B ⁽¹⁾ | R\$6B ⁽¹⁾ | R\$6B ⁽¹⁾ | |
| % SHARE | 50% | 30% | 30% | 30% | ... |
| REVENUE (R\$) | 8B | 3B | 2B | 2B | TBD |

Projected financials

The background of the slide is a solid blue color. Overlaid on this background is a white line-art graphic consisting of a grid of vertical and horizontal lines. Superimposed on this grid are numerous 3D rectangular bars of varying heights and widths, creating a sense of depth and architectural structure. The bars are drawn with white outlines, giving them a wireframe appearance.

Targeting R\$2.5B in revenue in 2023 in rentals in Brazil only

| <i>(R\$ in million, except otherwise stated)</i> | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------|--------|---------|---------|---------|---------|
| New listings (#) | 36,054 | 99,476 | 245,955 | 432,800 | 641,489 | 877,143 |
| New rentals (#) | 11,908 | 47,655 | 125,251 | 238,381 | 389,590 | 571,823 |
| Ongoing rentals (#) | 15,698 | 56,236 | 158,474 | 335,727 | 593,308 | 925,607 |
| GMV | 367 | 980 | 2,669 | 6,170 | 11,555 | 18,833 |
| GROSS REVENUE | 45 | 153 | 423 | 902 | 1,594 | 2,494 |
| Yoy Growth | | 237% | 177% | 113% | 77% | 56% |
| Brokerage fee | 24 | 94 | 247 | 470 | 763 | 1,118 |
| Management fee & others | 21 | 59 | 176 | 432 | 831 | 1,376 |
| NET REVENUE | 35 | 122 | 327 | 695 | 1,232 | 1,938 |
| GROSS PROFIT | 18 | 93 | 252 | 524 | 920 | 1,440 |
| % of Net Revenue | 51% | 76% | 77% | 75% | 75% | 74% |
| Opex exc. Marketing | (58) | (189) | (340) | (546) | (746) | (1,014) |
| EBITDA exc. Marketing | (40) | (96) | (87) | (22) | 174 | 426 |
| % of Net Revenue | -114% | -79% | -27% | -3% | 14% | 22% |
| Marketing expenses | (22) | (99) | (308) | (418) | (507) | (568) |
| EBITDA | (62) | (195) | (395) | (440) | (333) | (142) |
| % of Net Revenue | -175% | -161% | -121% | -63% | -27% | -7% |
| Working Capital | | 84 | 182 | 257 | 255 | 144 |
| FCF | | (111) | (213) | (183) | (78) | 2 |
| % of Net Revenue | | -91% | -65% | -26% | -6% | 0% |
| Cash Balance | 190 | 79 | (134) | (317) | (395) | (393) |

Appendix