

Escale Raises \$22.6 Million from Top US Investors to Transform Digital Buying Experiences in Brazil

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QED Investors and Invus Opportunities have just led a \$22.6 million investment into Escale, a São Paulo based tech company that partners with Brazil's largest brands, transforming their sales funnels into highly-efficient, digital buying experience. Escale's investment continues to highlight the opportunity in Brazilian technology companies, with Softbank announcing a dedicated \$5 bi Latin American fund and companies such as Nubank, QuintoAndar, GymPass and Loggi also attracting major foreign investment this past year. Escale's round included additional investment from Kaszek Ventures, Rocket Internet's GFC and Redpoint e.Ventures.

Since initial days in its founders' apartment, the company has now grown to over 500 employees and with clients including NET, Claro, Sul America, Bradesco, GNDI and Amil. Escale's co-founder and co-CEO, Matthew Kligerman, recalls his experience moving to São Paulo, "we fell in love with Brazil for its warm culture and natural beauty, but as consumers, we had terrible experiences acquiring the most fundamental products and services for our new lives: internet, cell phone plans, health insurance and basic banking needs. My business partner and I found we were not alone; consumers increasingly expect ease and transparency to make important purchase decisions. Brazilian brands have seen the trend and realize they must create positive buying experiences to compete in a rapidly evolving market. This is the problem Escale was born to solve."

In 2019, Escale will acquire over R\$2.0 billion reais of incremental customer life-time revenue for its brand partners. That number has more than doubled every year since the company's founding. How? Escale partners with Brazil's largest brands and, powered with data from millions of prior consumer interactions, transforms normal sales funnels into highly-efficient, digital buying experiences. In more complex sales funnels, Escale's digital sales platform integrates with its own inbound sales center, managing the customer interaction from end-to-end. For consumers, Escale creates transparent and smooth buying experiences for the most important products and services families and small businesses need. And for brands, Escale generates incremental demand via its website portfolio, cross-sell partnerships and opt-in customer database to deliver new, incremental customers brands otherwise would not access. In confidence of their results, Escale works in a 100% performance model, compensated for each activated customer delivered to its brand partners.

When asked how the \$22.6 million will be used, Matthew Kligerman discussed three major areas of investment. "We'll invest heavily in our technology and data platform to ensure more efficient and transparent online-to-offline buying experiences for consumers. We'll deepen our relationships with brand partners in the telecom and health insurance markets, as well as expand into consumer finance, insurance, education and other markets. And we'll continue expanding our demand generation volumes, to deliver even more customer prospects to our brand partners' sales funnels."

As Ken Diamond, co-founder and co-CEO, reflects on what has led to Escale's growth, he responds emphasizing two pillars, "Talent and culture. For as much as we invest in data and technology today, our greatest asset is our world-class team and company culture focused on enabling talent to realize their full potential. We have a methodology for quickly launching, improving and scaling new business units, that enables talent to develop through the entire life-cycle of building and growing a business." Indeed, Escale has been silently bringing the best

talent in the industry together, and now ranks as the second most loved company in all of Brazil by its employees, according to a ranking of large companies from LoveMondays that collected results from over 180.000 companies.

QED Investors has a history of partnering with founders to build high growth financial services companies in the US and Brazil, building on the partners' history helping build Capital One. Senior Partner Bill Cilluffo noted, "We are thrilled to be a part of the Escale team. We were initially impressed by the volume of high-value customers Escale delivers to its brand partners but became much more excited as we understood how many major brands are looking for Escale's help to transform their sales funnels into highly efficient, customer acquisition programs. We're particularly excited to support Escale with their credit algorithms in the consumer finance market to guarantee more profitable customers for their partners."

Nico Berman, Kaszek partner and Escale board member, explains, "Escale's opportunity to bring massive growth to their partners is gigantic. With millions of web and cloud voice interactions every month, Escale can transform each of those interactions into data points, and continually improve its proprietary acquisition platform, 'EscaleOS', to create highly-intelligent, customized marketing and sales funnels, helping consumers at the right moment connect with the products and services they need. The more consumer interactions they have, the faster Escale's data flywheel spins."

David Kahane, partner at Invus Opportunities explained their interest, "we've backed many of the largest consumer facing brands in the world and deeply understand the challenges brands face around customer acquisition. When we look at Brazil, we see an opportunity for Escale to fundamentally transform the market far and beyond its existing model. We look forward to being long-term backers of Escale and continuing to invest to build out its full vision."

About QED Investors

QED Investors, based in Alexandria, VA is the leading fintech boutique venture capital firm focused on investing in early-stage, disruptive financial services companies in the U.S., U.K., and Latin America. Its unique, hands-on approach leverages its partners' decades of entrepreneurial and operational experience, helping companies achieve breakthrough growth. Notable investments include Credit Karma, SoFi, Avant, NuBank, Remitly, QuintoAndar, Konfio, and Creditas.

About Invus Opportunities

Invus Opportunities is a sister fund to The Invus Group, an equity investment firm founded in 1985 with over \$8 billion of evergreen capital. Invus Opportunities is focused on partnering with market-leading management teams and investors in private transactions globally. With our differentiated heritage and capital base, Invus Opportunities brings a complementary dimension to growing companies and investor groups seeking to create lasting value.

About Kaszek Ventures

Kaszek Ventures is a venture capital firm that partners with exceptional entrepreneurs to build lasting, high-impact technology-based companies whose main focus is Latin America. In addition to capital, Kaszek offers significant strategic guidance, hands-on operational support and access to local and international networks. The firm is industry and stage agnostic, investing mainly in seed, series A and series B.

Kaszek was founded in 2011 by Hernan Kazah, (MercadoLibre's co-founder and former COO/CFO) and Nicolas Szekasy (MercadoLibre's former CFO). Today Kaszek Ventures has formed a great team of experienced industry experts to select and support the best start ups in the region.

Kaszek Ventures portfolio includes: Nubank, Grupo Zap, Creditas, Gympass, Loggi, Escala, QuintoAndar, Contabilizei, Digital House, Notco, GuiaBolso, Technysis, Konfio, and several others.

About Global Founders Capital

Global Founders Capital (GFC) is a globally oriented, stage agnostic venture capital firm that empowers gifted entrepreneurs worldwide. With offices in San Francisco, New York, London, Berlin, Paris, Singapore and Sao Paulo, and a founder first philosophy, GFC is one of the most active VCs worldwide, having backed companies such as Slack, Delivery Hero, Away and Revolut.

About Redpoint eVentures

A joint venture between Redpoint and eVentures, Redpoint eVentures is a venture capital firm based in Sao Paulo, serving the growing Brazilian Internet market. Redpoint eVentures brings funding, Silicon Valley access and global best practices to promising local entrepreneurs. The firm was established with a dedicated local team and leverages its Silicon Valley and global networks to help develop the growing entrepreneurial ecosystem in Brazil.