

Clear Secure Inc. (NYSE: YOU) - closing price on July 10, 2024: \$19.27; dividend yield: 2.1%

CLEAR operates a secure identity platform used for travel security, event security, online identity and certification verification. CLEAR has built a nationwide network of airports, stadiums, and businesses, offering members convenient, secure and reliable experiences as they move and transact both physical and digital environments.

CLEAR Plus, CLEAR's flagship product can be found in an increasing number of locations including fifty-six airports throughout the United States and nineteen arena and stadium venues. Using biometric information, CLEAR Plus allows members to bypass TSA security lines and provides separate express access to event venues. CLEAR's 'Lane of the Future' powered by its 'NextGen Identity+' platform uses facial recognition data to enable a seamless identification process where members need not break stride as they roll through security checkpoints. As of March 31, 2024, CLEAR Plus had 6.8 million active members, an increase of 19% from the prior year.

After learning of the services offered by CLEAR Plus, many individuals ask how it differs from TSA PreCheck. CLEAR is an official TSA PreCheck enrollment provider. As such, these services complement each other by allowing CLEAR members to skip the TSA line and TSA PreCheck provides a less intrusive security process. CLEAR has begun selling bundled CLEAR Plus and TSA PreCheck services at a cost of less than \$200 for a 5-year term for TSA PreCheck plus 12-months of CLEAR Plus while offering enrollment and renewal of TSA PreCheck through its platform.

CLEAR Verified, CLEAR's business-to-business (B2B) services facilitate identity verification, virtual queuing, and credential validation. Several examples include:

- Validation of professional licenses and certifications for online platforms such as Angi and Care.com
- Know Your Customer (KYC) product offers identity verification to financial services partners
- Partnerships with public health exchanges and other healthcare providers for easy patient access to health records, vaccine verification and patient check-in process

CLEAR's business model enables efficient member acquisition and high member retention rates, powering strong network effects. As more locations and services are added to the platform, the utility to its members increases, thereby enhancing the value proposition. Upon enrollment, CLEAR receives the full annual fee upfront. This model allows CLEAR to fund its own growth without having to raise debt or sell shares. This cash flow model has been so successful that in 2023, CLEAR returned over \$200 million to shareholders through share repurchases, regular dividends and special dividends. Cash, equivalents and marketable securities equal \$7.00 of CLEAR's \$19.27 current share price, reflecting a healthy balance sheet and CLEAR's strong cash position.

Noble Wealth Advisors believes the combination of CLEAR's successful business model and the continued aggregation of its new and existing products and services, both in physical and digital spaces, provides significant growth opportunities and the ability to scale efficiently. Synergies exist for cross marketing opportunities while providing its partners with a more seamless experience across platforms. To put this in context, consider that American Express will subsidize CLEAR services to its customers that hold certain AMEX credit cards, making the cost to the member zero. We expect to see similar partnerships going forward.

Clear Secure Inc. is a core holding for our Growth and Growth & Income investment strategies.

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