

29 August 2018

## LAA adds new Mexican partner and loan products to Motorfy cross sell product platform

**Mexico City – 29 August 2018:** LatAm Autos Limited (ASX: LAA) (“**LatAm Autos**” or the “**Company**”) is pleased to announce it has signed a loan distribution agreement with a new credit provider that will provide an additional non-bank secured loan option for car buyers on the Motorfy platform.

### Highlights:

- **Monthly loan applications have grown 360% since the end of 2017**
- **New loan product services customers with limited or no credit history**
- **LAA receives an upfront loan origination fee, and doesn’t assume any credit risk**
- **To cater for differing credit profiles, LAA expects to add several new loan options to the Motorfy platform, which is expected to increase loan application conversion rates**
- **LAA will announce new products as they are added to the Motorfy platform**

### Expansion of LAA’s Vehicle Transaction Marketplace

LAA is pleased to announce the addition of a new non-bank lender to its cross sell product platform Motorfy, complementing LAA’s existing “near-prime” car finance product.

Motorfy is LAA’s Vehicle Transaction Marketplace, a proprietary car dealer product cross sell product platform in Mexico and Ecuador.

LAA has experienced significant growth in monthly applications from all types of car buyers through its dealer network. Consequently, the Company has prioritised the inclusion of several loan products to address this strong loan demand. It is important to note that LAA does not assume any credit or underwriting risk in relation to any of the products which are offered by third parties on LAA’s Vehicle Transaction Marketplace.

The new product is suited to loan applications for car buyers with limited or no credit history (approximately equivalent to the Australian credit category called “non-conforming” loans) which comprises approximately 39% of existing loan applications. The new partner will provide funding for these loans that are originated through the Motorfy platform. LatAm Autos is paid an origination fee upon disbursement of the loan and is the exclusive online classifieds channel partner in Mexico for this partner.

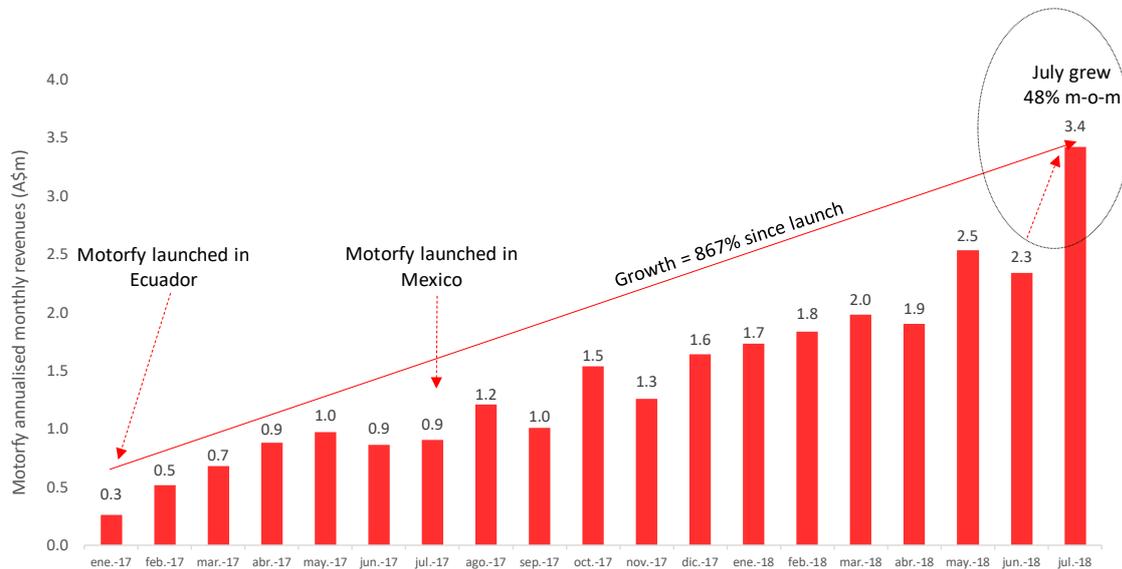
### Increasing demand

Since the end of 2017, monthly loan applications have grown 360% with applications being sourced across the full credit spectrum comprising “prime”, “near-prime” and “non-conforming loans”. With the addition of “non-conforming” loans to LAA’s Vehicle Transaction Marketplace, only “prime” loans currently remain unserved by LAA. LAA is exploring a range of options to secure a prime loan product for distribution on its Motorfy platform.

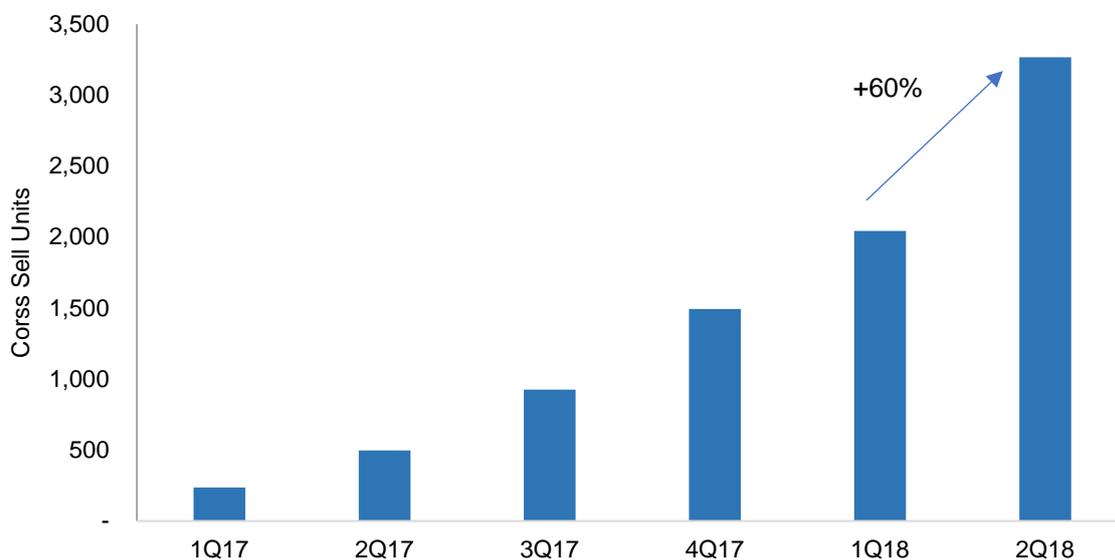
Cross Sell revenues have grown rapidly in Mexico from formal launch in early 2017 to now represent 30% of overall group revenues in the 1H18 period.

Stand alone, Motorfy is one of the fastest growing “fintech” businesses in Mexico, with significant growth opportunities ahead given Mexico’s population of 120 million and around 6.4 million used car sales per year.

### Annualised monthly revenues from cross sell products



### Cross Sell product sales volumes increased 60% compared to 1Q18



### Commentary

CEO Jorge Mejia Ribadeneira said “We are delighted to announce the addition of the first of several additional car loan options onto the Motorfy platform that is complementary to the existing “near-prime” loan product. The opportunity for non bank lenders in the used car finance segment is immense, with 6.4 million used car sales per year, and we are just scratching the surface.

Our team is working hard with several new partners to integrate the new loan products into our platform to provide customers and car dealers a seamless experience from pre-approval through to final disbursement, with a considerably better user experience than applying for

loans through traditional channels, with the benefit of being able to add insurance, GPS tracking and extended warranties for the customer”

### **About LatAm Autos (ASX: LAA)**

LatAm Autos listed on the ASX in Dec-14 and is the leading Vehicle Transaction Marketplace in Mexico and Ecuador. LatAm Autos is capitalising on the shift of automotive classifieds advertising to online channels, whilst providing cross sell products to car buyers and dealers such as classifieds, finance, insurance and car tracking technology through its Motorfy brand. For more information on LatAm Autos, please visit its website: [www.latamautos.com](http://www.latamautos.com).

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