

30 August 2019

## **LAA releases its 1H19 results and continues positive momentum into 2H19**

**Melbourne and Mexico City - 30 August 2019:** LatAm Autos Limited (ASX:LAA) (“LatAm Autos” or “the Company”) is pleased to announce its 1H19 financial results, continued momentum in its Mexican FinTech business and record organic (SEO) traffic.

### **Highlights:**

- 6% increase in revenues, including an increase of 53% in Motorfy Mexico revenues
- 6% decrease in losses from ordinary activities, despite investing heavily in its FinTech (“Motorfy”) business
- New partnerships with Financial Institutions. The Company now has six Financial Institutions for its Motorfy product to be able to cover the entire credit spectrum in the Mexican auto loan market
- Motorfy Mexico units sold grew 39% during 1H19 on pcp. This was mainly due to an increase of 43% in Motorfy Credit and 46% in Motorfy Insurance
- Continued strong performance of Motorfy Credit Mexico into 2H19. July 2019 was a record month in terms of unit sales, growing 28% over June 2019 and forecast new record in August 2019
- Organic (SEO) traffic growth of:
  - Mexico (seminuevos.com) and Ecuador (patiotuerca.com): 63%
  - Mexico only: 67%
  - Ecuador only 58%

### **Commentary:**

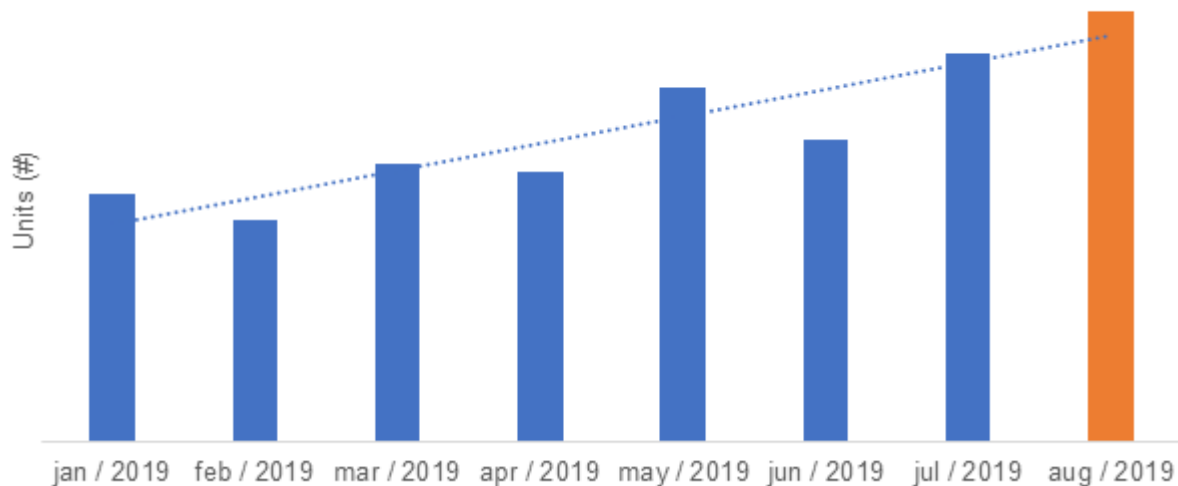
The Company continued to invest heavily in its Motorfy business with growth in unit sales reaching record levels into 2H19.

During 1H19 the Company’s main focus continued to be to develop its Motorfy business; the main revenue generator being auto loan products. This was principally due to substantial scope for improvement in internal processes, inclusion of additional Financial Institutions as partners to Motorfy, the large underserved market, an increase of the Company’s dealer base and increase of the engagement of the dealer base using the Motorfy app.

Revenue generated per complete loan package in Mexico (including Insurance, GPS and Warranty products) can generate up to 11.5x that of a monthly online classifieds dealer subscription package.



**Chart 1: YTD Motorfy Mexico Credit Unit Sales\***



\*Unit sales for August 2019 are an estimate

#### ***Mexico Continues to grow its Motorfy / FinTech unit sales***

During 1H19 calendar year the Company's Mexican business achieved several records regarding operational key metrics, in addition to its Motorfy product unit sales (which increased revenues by +53% pcp in LCCY).

These Motorfy products allow LAA's Mexican business, seminuevos.com, combined with its classified site, to be a full vehicle transaction marketplace.

#### ***Classifieds***

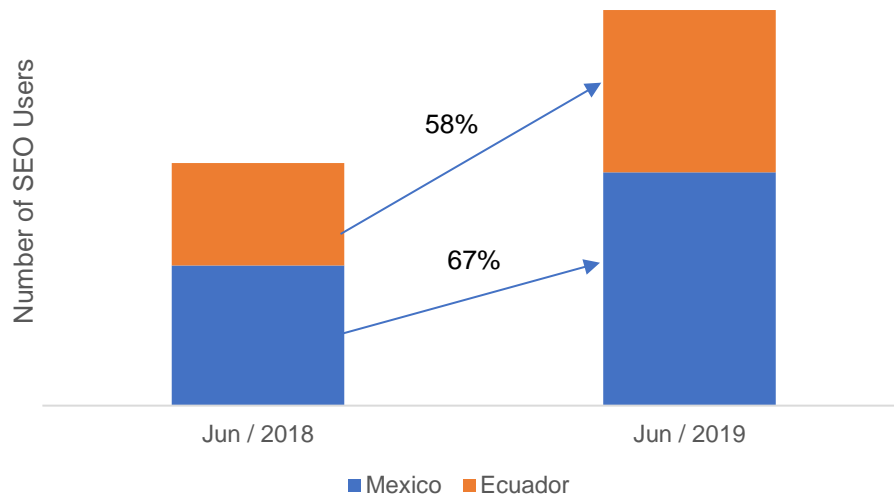
Organic traffic, defined as traffic from SEO sources, grew as follows from June 2018 to June 2019:

- Mexico (seminuevos.com) and Ecuador (patiotuerca.com): 63%
- Mexico only: 67%
- Ecuador only 58%

More SEO traffic generally results in reduced marketing expenses and improved quality of users, likely leading to more leads for dealers.



**Chart 2: Growth in Organic Traffic (SEO only)**



CEO and Executive Director Jorge Mejia commented:

“The Company had a modest increase in sales in 1H19, and we are excited about potential results in 2H19 based on the July and MTD August 2019 Motorfy Credit Mexico sales. In terms of unit economics, Motorfy Credit is the Company’s most profitable product and is instrumental in initially achieving breakeven and then to become a highly profitable company. LatAm Autos now has six Financial Institutions as partners who cover the entire credit spectrum of the Mexican auto loan market. Which diversifies and adds considerable depth to our Motorfy Credit sales in Mexico.”

-Ends-

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

LatAm Autos is a leading online car transaction market place with operations in Mexico, Ecuador and Peru. LatAm Autos is capitalising on the shift of automotive classifieds advertising to online channels, whilst providing ancillary services to car buyers such as 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).

#### **Caution Regarding Forward-Looking Information**

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, including LatAm Autos' FY19 outlook, are also forward looking statements, as are statements regarding LatAm Autos' plans and strategies and the development of the market. Such forward-looking



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