

LatAm Autos Investor Presentation

June 2019

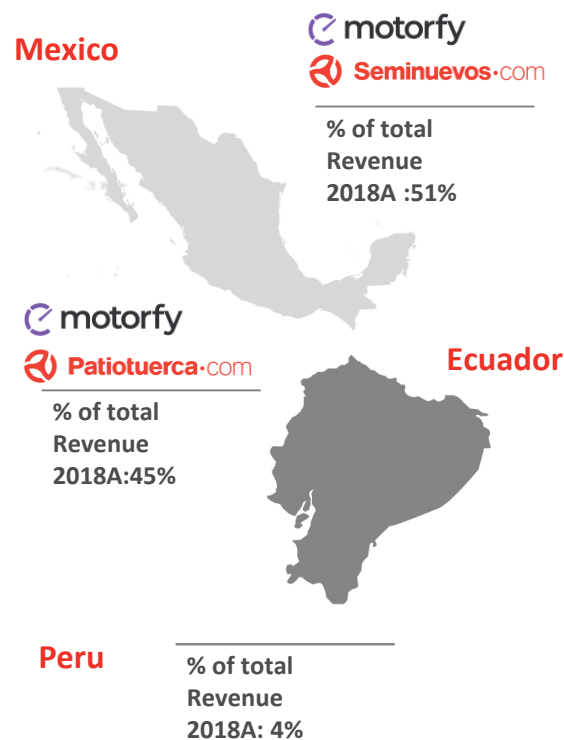
#1 auto vertical classifieds and fintech platform in Mexico and Ecuador

Executive Summary – LatAm Autos

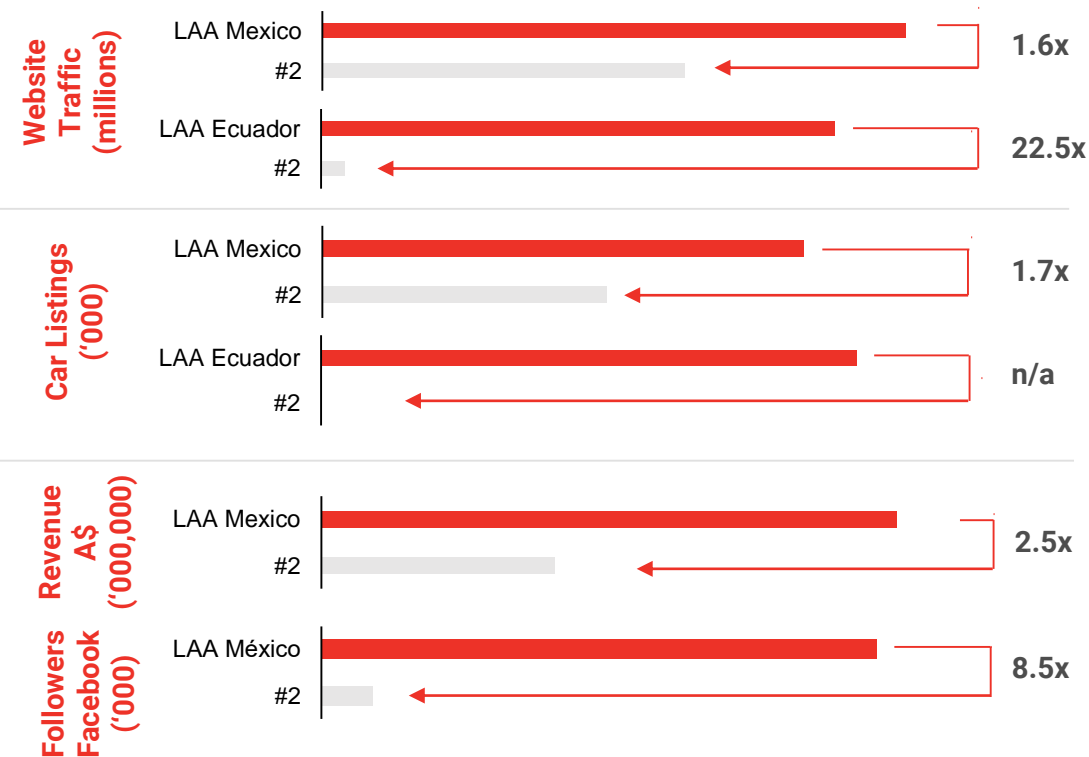


After successfully developing its position as the leading dedicated online auto classifieds platform in Mexico and Ecuador, Latam Autos has now become a complete vehicle transaction marketplace

MEXICO AND ECUADOR FOCUS



LEADING MARKET POSITIONS



1. Traffic source: Similarweb.com, traffic (organic and paid) as of May-2019. Similarweb.com is a third party service provider that provides estimates only, actual results may be significantly different to similarweb estimates. 2. Listings as of May-2019. 3. Facebook followers for competitors as at Jun-2019. 4. Revenue FY 2018 and public sources

LAA's Value Proposition

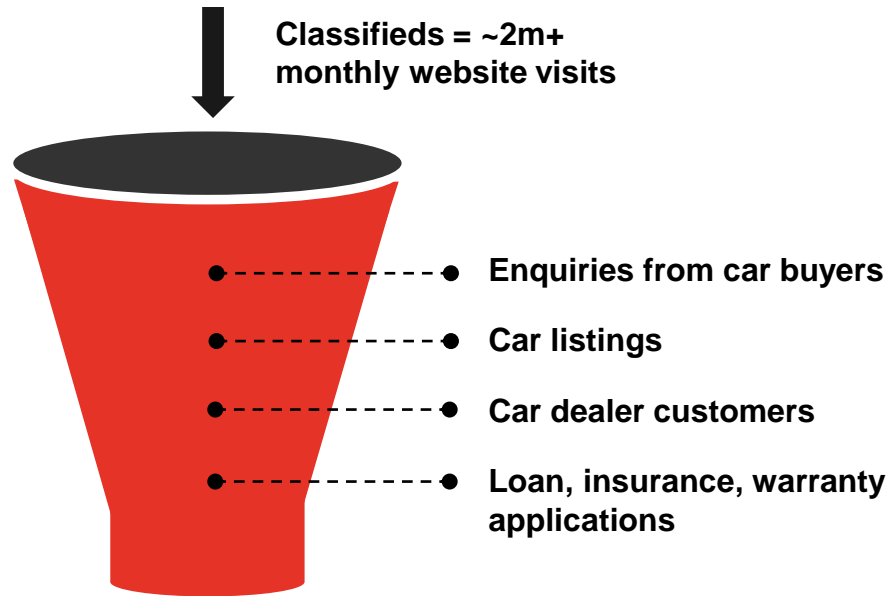


	Market Need	Solution	LAA Product
For car Buyers	Centralised source of information	Organizes car inventory into a consolidated, easy to navigate list	Online Classifieds
For car Sellers	Maximise price and speed of selling vehicle	Provides lead generation to car sellers, via online and offline channels	Online Classifieds
For Financiers	Access to point of sale distribution channels	Created “Uber Eats” for auto loans	Motorfy app
OEMs	Growing proportion of car buyers are from online sources	Tailormade technology solutions	Lead Generation

Unique Automotive Value Chain Integration – One of Mexico's Fastest Growing Fintechs



Mexico's only end-to-end online auto retail transaction ecosystem



Cumulative ~A\$420 million of loans applied for

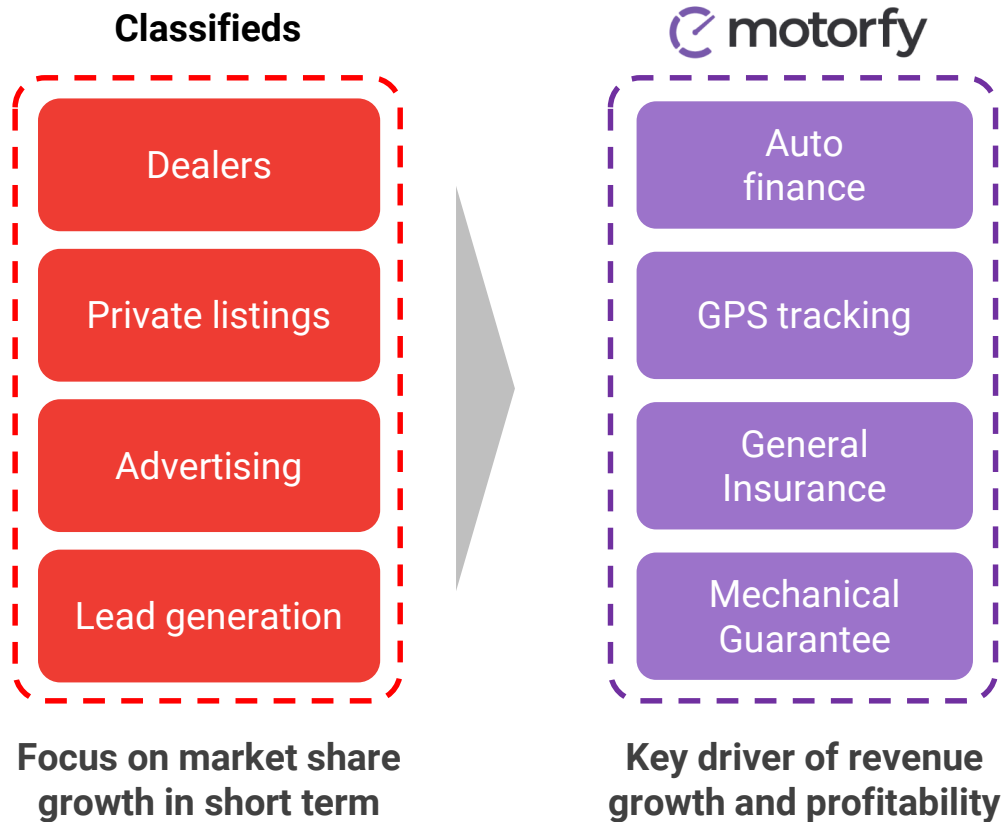
Key highlights

- 1. Existing distribution:** Leveraging 5 years of classifieds investment and extensive car dealer customer network
- 2. Vertically integrated:** End-to-end customer acquisition potential of LAA is significant
- 3. Products:** LAA has ability to optimize / cross sell range of products across car buying process
- 4. Motorfy:** Distinct user experience competitive advantage relative to traditional capital providers
- 5. Scalability:** Business model designed / conducive to scalability

Current and future revenue opportunities



1 Current Revenue Streams



2 Future Opportunities / Revenue Streams

Auto Finance

- ✓ **New financial partners:** Continue to add new partners onto the platform
- ✓ **Motorfy Consumer:** Take current dealer-only product to millennial market and C2C transactions

Classifieds

- ✓ **New Car Catalogue :** New Car Catalogue Marketplace – unmatched in the market
- ✓ Other products (confidential)



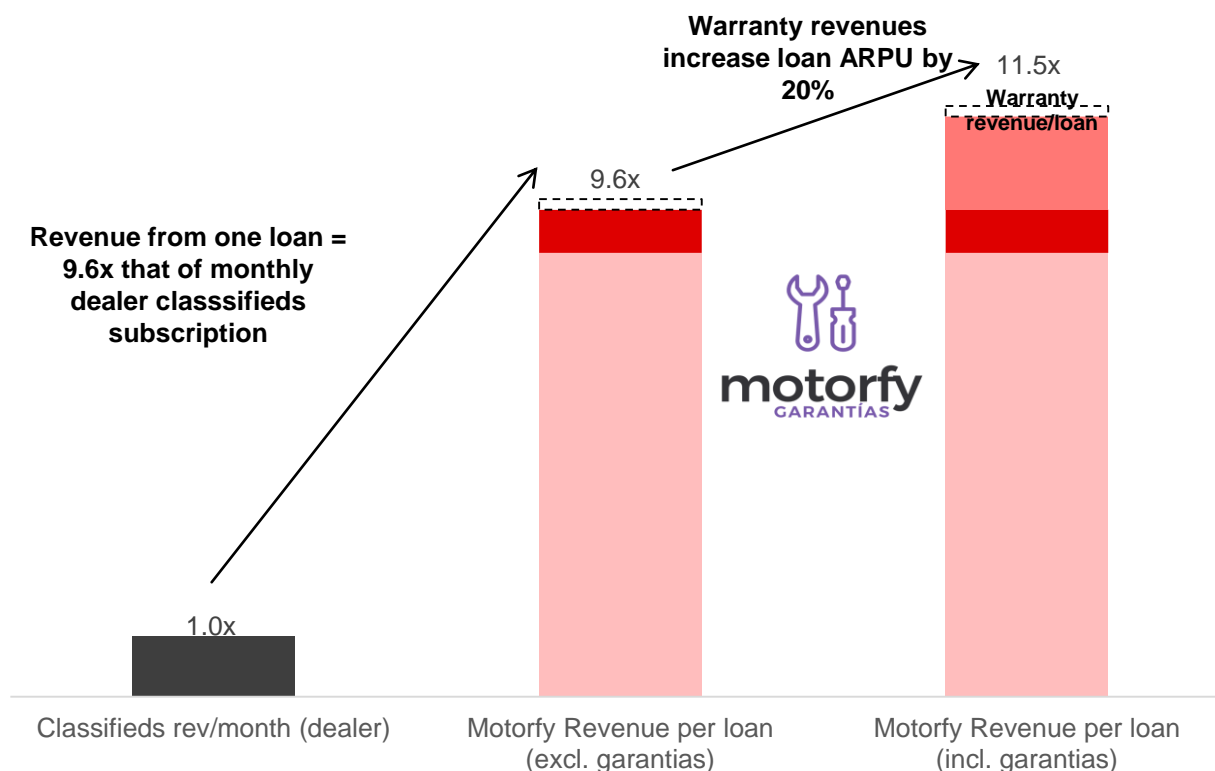
OVERVIEW

- A powerful tool for car dealers to generate additional revenue in real time
- Added value to each car dealer's customer base





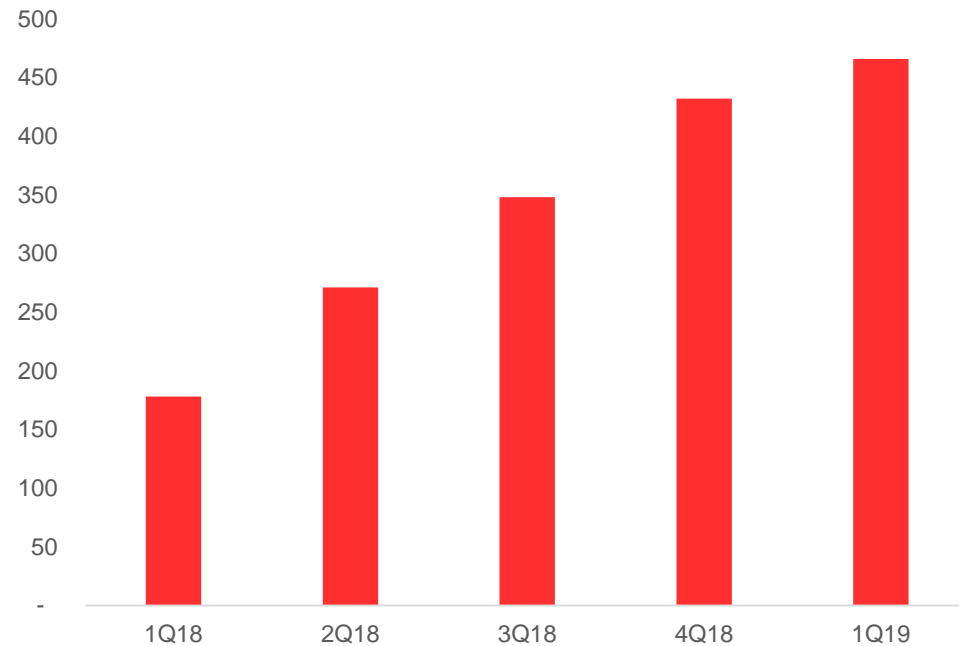
Attractive Unit Economics on Cross Sell Products



- The transformation of LAA into a vehicle transaction marketplace has improved overall profitability and working capital management
- LAA is able to leverage its leading market position in the Mexican and Ecuadorean auto classifieds sector into distribution of high margin cross sell products
- Car loans are typically sold in bundled packages including GPS tracking, insurance and other value-added items
- Revenue generated per loan bundle can generate up to 11.5x that of a monthly online classifieds dealer subscription package



Active Dealers¹ Using Motorfy in Mexico



- Consistent quarterly increases in total dealers using Motorfy product in Mexico
- Over A\$420 million of loans applied for since launch (includes dealer and online channels) in both Mexico and Ecuador

1. Active Dealer: Dealer that sent at least two applications in the last two months

Motorfy – Product Partners Overview



LAA offers loans across the complete credit quality spectrum for used and now new car finance

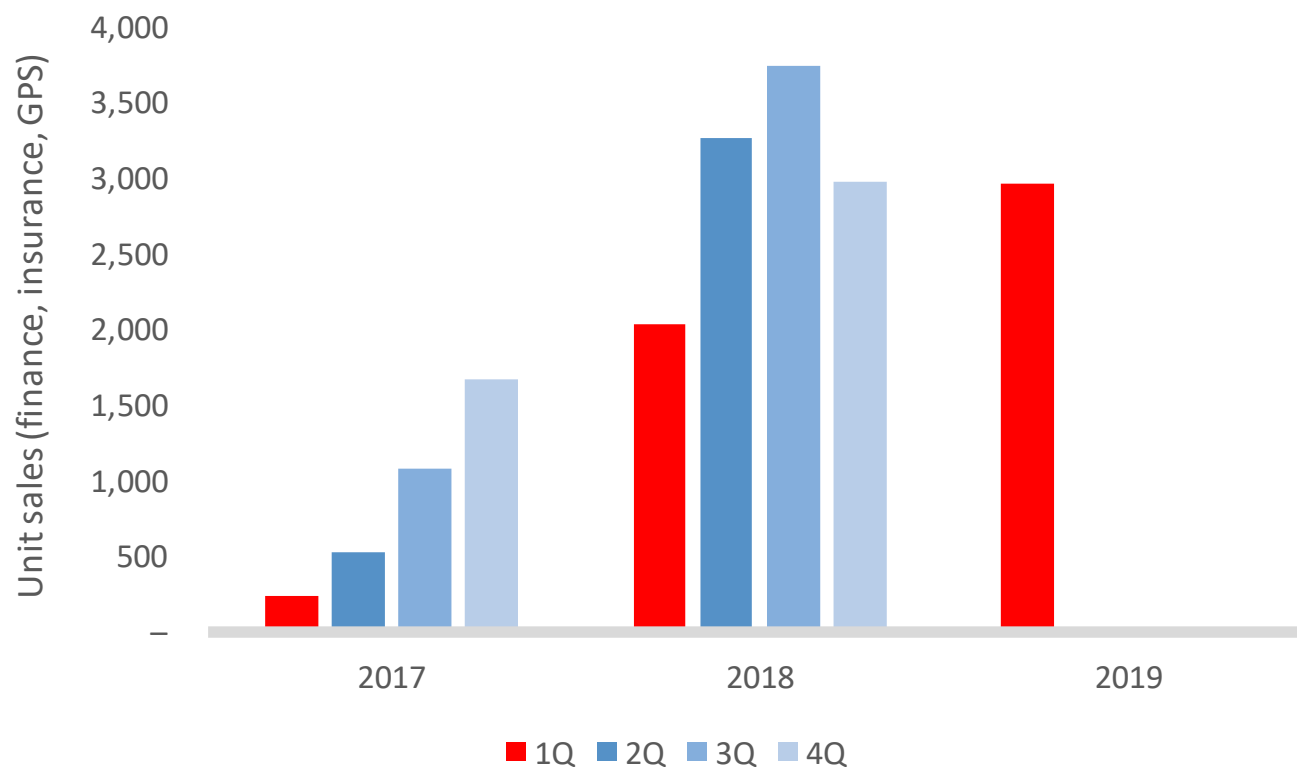
Vehicle Finance Products	Partner	Description
Prime credit, secured, for new and used cars	FinBe	FinBe is a subsidiary of Bepensa, a Mexican conglomerate with over 50 businesses and 10,000 employees
Near-prime credit, secured, used cars	Credito Real	Credito Real is a MEX9.3bn market capitalisation listed company which provides consumer financing services. The Company provides personal loans, traditional credit, credits to suppliers, and returns on assets services
Non-conforming loans, secured, used cars	Turbocash	LAA currently in negotiations with a range of non-conforming loans providers to be onboarded soon
Vehicle Value-Add Products	Partner	Description
GPS Tracking	White label	White label product with leading provider TBC
Insurance	Mapfre, Qualitas, various	Access to over 7 insurance providers with leading products from Mapfre and Qualitas
Extended Warranty Insurance	SNG Group	SNG is an auto warranty manager for new and used vehicles and is part of MEX4.9bn market capitalisation listed company Peña Verde (PV: MEX) group. Founded in 1971, it is headquartered in Mexico City with presence in Europe, Mexico and Brazil.



motorfy
TRACK



Strong Growth in Cross Sell Product Unit Sales

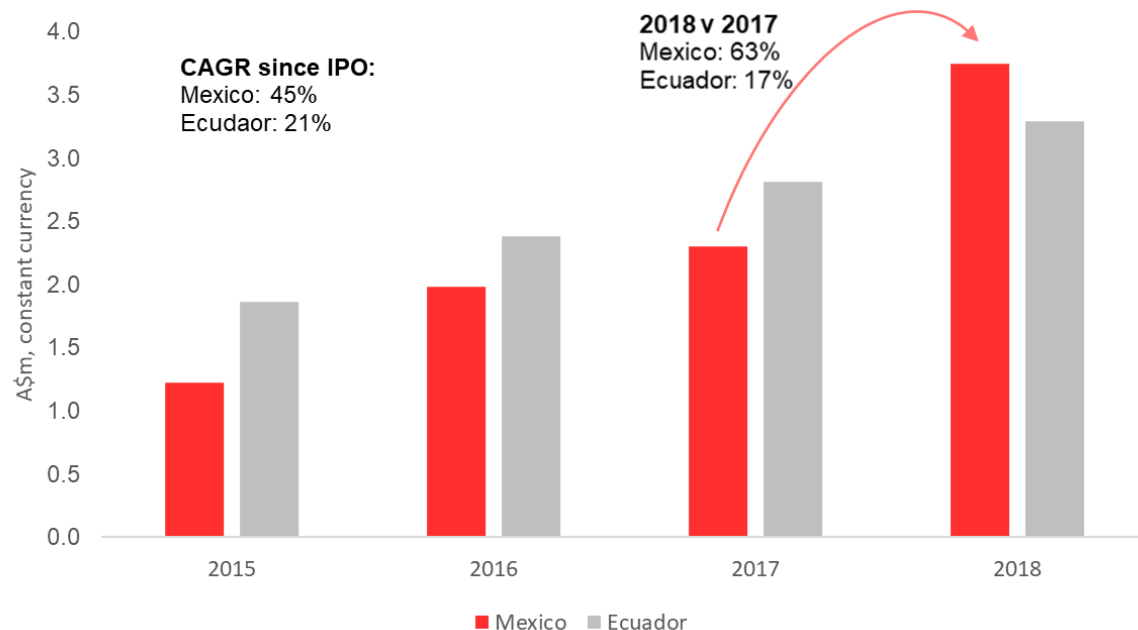


- Record car loans in Mexico during May
- Unit sales from new loan products onboarded during 1H19 are expected to have a greater contribution during 2H19
- Motorfy Credit make up the majority of total revenue from Cross Sell products
- Vast majority of Cross Sell revenue generated from Mexican market
- Highlights significant upside opportunity of new loan products on the platform

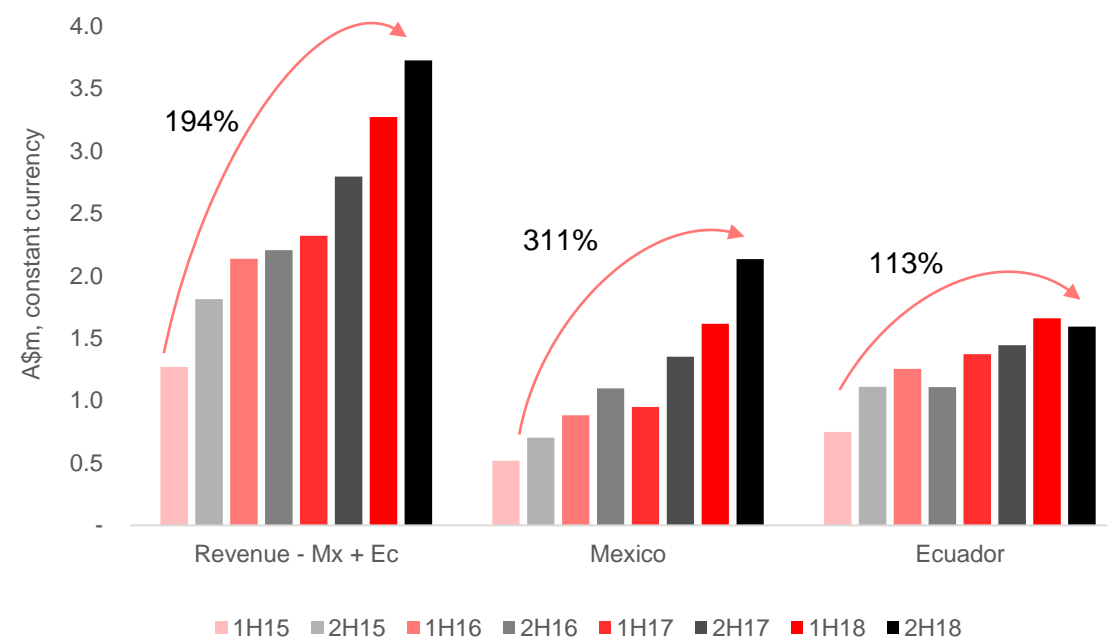
Financial Highlights



Annual revenue growth since IPO (A\$m, constant currency)



Half yearly revenues since IPO (A\$m, constant currency)



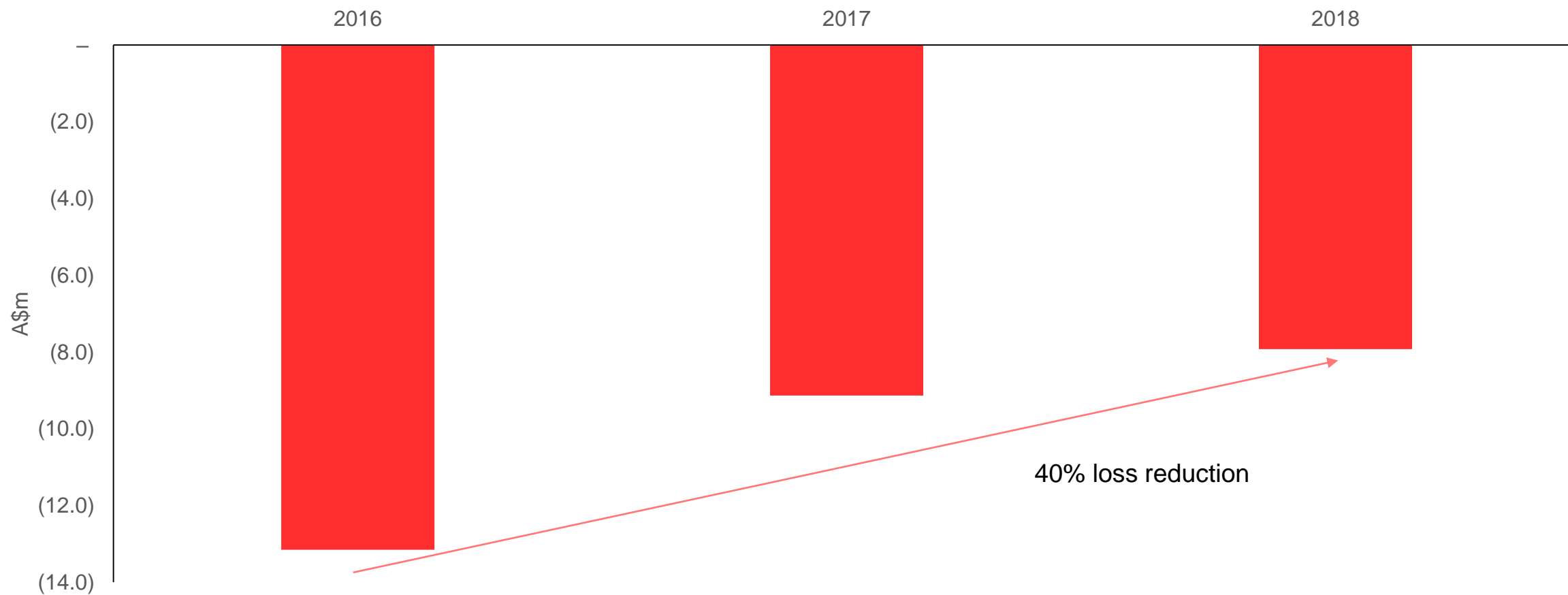
1. Constant currency MXN/AUD is 14.6. 2. Constant currency USD/AUD is 0.7427

- Revenue CAGR since IPO of 45% in Mexico and 21% in Ecuador
- Accelerating growth in key market of Mexico in 2H18

Financial Highlights



Adjusted EBITDA (excludes share based payments)

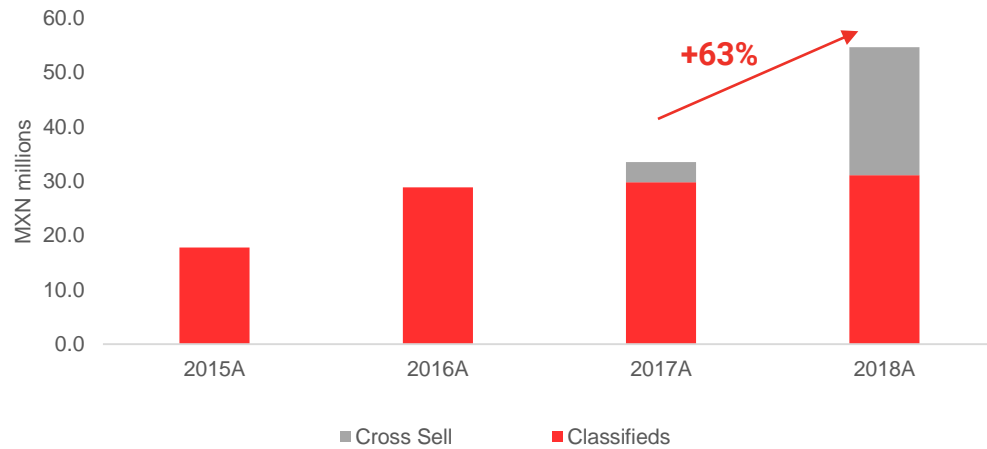


- Excludes share based payments

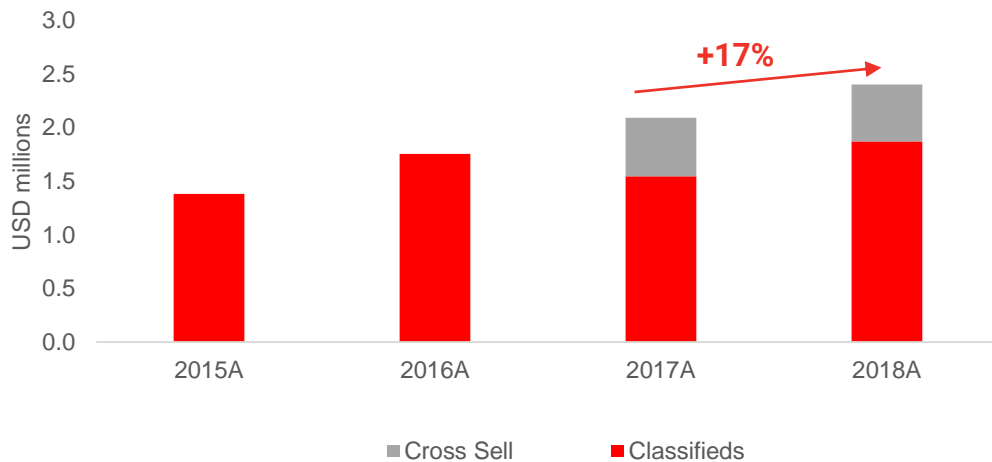
Financial Highlights



Mexico pcp growth



Ecuador pcp growth



Cross Sell revenues are they key revenue growth driver in both Mexico and Ecuador

LatAm Autos management has been key to its success



Jorge Mejía
*Co-Founder
and CEO*

- **Co-founder and CEO since inception, has led LAA from a pure online classifieds company to complete vehicle transaction marketplace with the introduction of its Motorfy business unit**
- Experienced Latin America digital media executive with 20 years experience
- Founder of several leading digital business in Ecuador



Gareth Bannan
*Co-Founder
and CFO*

- **Co-founder and CFO since inception, manages team of 20+ people across 2 countries managing internal business and product analysis, and ASX reporting and investor requirements**
- 14 years M&A, capital markets and financial management experience (including eight years in LatAm)



Tim Handley
*Co-Founder
and Executive
Chairman*

- **Co-founder and Executive Chairman since inception, responsible for investor relations**
- 16 years entrepreneurial and banking experience
- M&A (Gresham Partners & UBS Investment Bank), equity and debt capital markets experience (including 7 years in Latin America)



Jacobo Moreno
CTO

- **CTO since LAA inception, implementation of regional online classifieds technology, launch of key Motorfy application**
- Recognised as one of the leading tech entrepreneurs in Ecuador



Patricia Cordon
*Operations
Director*

- **Operations Director since 2 years, responsible for overall strategy execution with LAA team in both Mexico and Ecuador, 4 core classifieds products and 3 Motorfy cross sell products**
- Responsible for Unilever's financial operations in 19 countries in Latin America at Capgemini BPO
- Certified in GEM (Global Enterprise Models) and trained in Black Belt sig sigma Methodology.

Highlights:

- Proven track-record creating a leading business over the past 4 years
- One of the few Latin American public funded startups and the only public auto vertical in Latin America



- LatAm Autos is delighted to announce that two Non-Executive Directors have agreed to join the Board
- Donald Cahill and Joe Hanna bring a wealth of Latin American and online classifieds experience to the Board and are both experienced executives in highly successful technology companies
- Both Directors will be officially appointed after the capital raising process

Background



Donald Cahill
Non-Executive
Director

- Donald is a Canadian national, raised in Bolivia, with over 22 years experience in the technology sector working for Brightstar (founding member, sold to Softbank in 2014, and BBSS (a Softbank company)
- Mr Cahill currently works as an executive advisory role with BBSS, but also works identifying opportunities for Softbank's investment funds in the Americas.
- Donald is based in Silicon Valley and has a substantial understanding of the South American and Mexican markets



Joe Hanna
Non-Executive
Director

- Joe is an Australian with significant experience in Latin America (Mitula). He has over 23 years digital product and technology experience and over 20 years in online classifieds and search experience
- Joe founded Modern Search which in 2010 merged with Mitula Classifieds
- Joe was instrumental in the IPO of Mitula Group Limited on the ASX (MUA) in 2015 where he served as Non -Executive Director until it was sold in 2019 to Lifull (TSE:2120)

Commentary

"Latin America is experiencing significant innovation and disruption and I have witnessed the shift of new investment funds moving to the region. LatAm Autos is clearly one of the transformative companies leading this disruption and I'm excited to join the team."

"Through my previous experience at Mitula, which has a significant presence in Mexico, I've seen the potential of the Mexican market from an online classifieds and fintech perspective, and LatAm Autos has developed a market leading business combining both. In Latin America, offering finance options to car buyers has been a key to success in classifieds business models"



LAA has recently engaged Grant Samuel to advise on a range of strategic initiatives

Overview

- The Board recognises that a well prepared and executed strategy is key to delivering the best outcome for LAA shareholders
- As recently announced, Grant Samuel Corporate Finance (“Grant Samuel”) has been appointed to assist the Board in considering a range of strategic initiatives, aimed at maximising value for shareholders
- More specifically, Grant Samuel is working with LAA to:
 - Refine and implement corporate strategy;
 - Assess a range of potential corporate transactions, including but not limited to:
 - Investments at the corporate and/or subsidiary level;
 - Joint ventures with strategic partners;
 - Separation of business operations by segment or geography; or
 - Asset sales

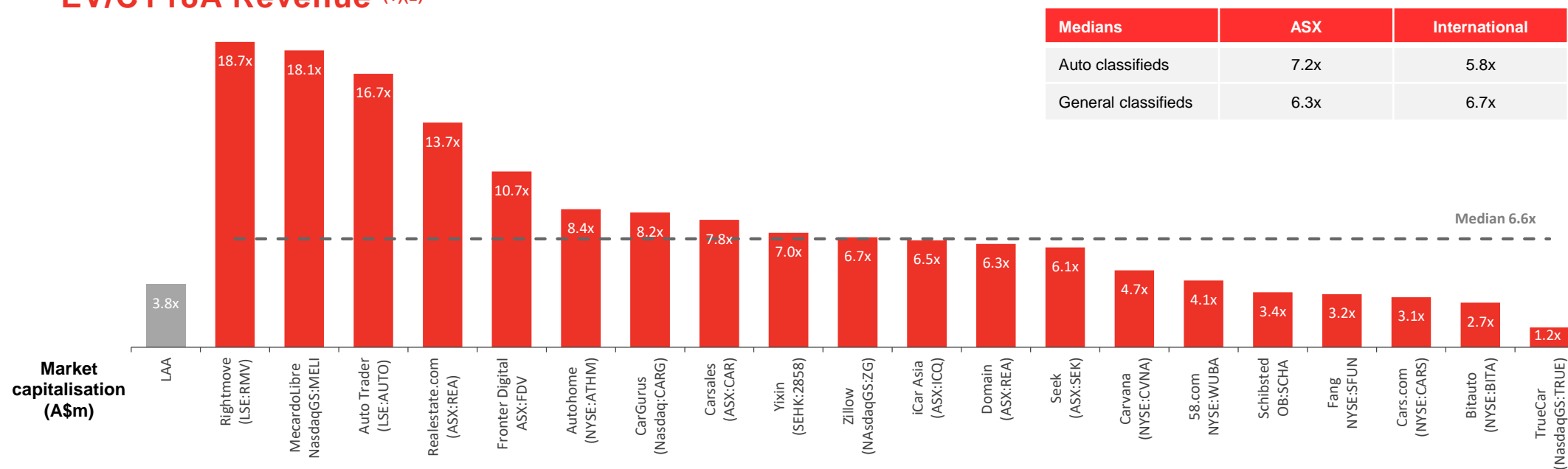


LAA trades at a material discount to peers

Valuation

- LAA currently trades at a significant discount to peers, both internationally / domestically and across both auto-classified and general classifieds
- LAA currently trades at 3.8x EV/CY18A revenue, which is a ~40% discount to the median ASX-listed multiple of 6.3x for general classifieds businesses
- In the Board's view, the underlying value of LAA is not currently reflected in the share price

EV/CY18A Revenue ⁽¹⁾⁽²⁾



Source: S&P Capital IQ accessed 5 June 2019 and company announcements

Note: ¹ LAA EV represents last close share price of 6.3 cents prior to entering trading halt, pro-forma adjusted for capital raise; ² LAA excluded from medians. Metrics are calendarised to December year end



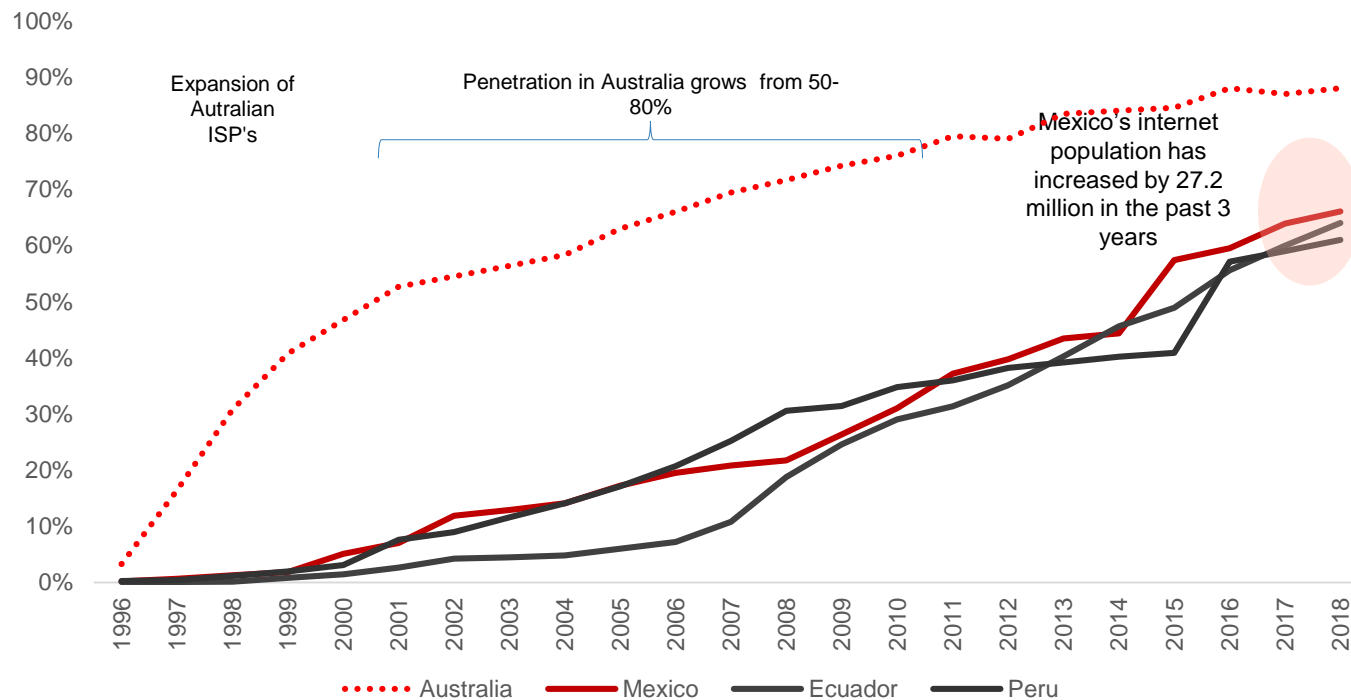
PART B: Key Growth Drivers

Growth Driver #1 - Rising Internet Penetration



Average internet penetration in LatAm Autos key markets c. 63.7% in 2018 and growing rapidly toward Australia's internet penetration of 88% the populations

Internet penetration (% of population)¹



Industry Overview

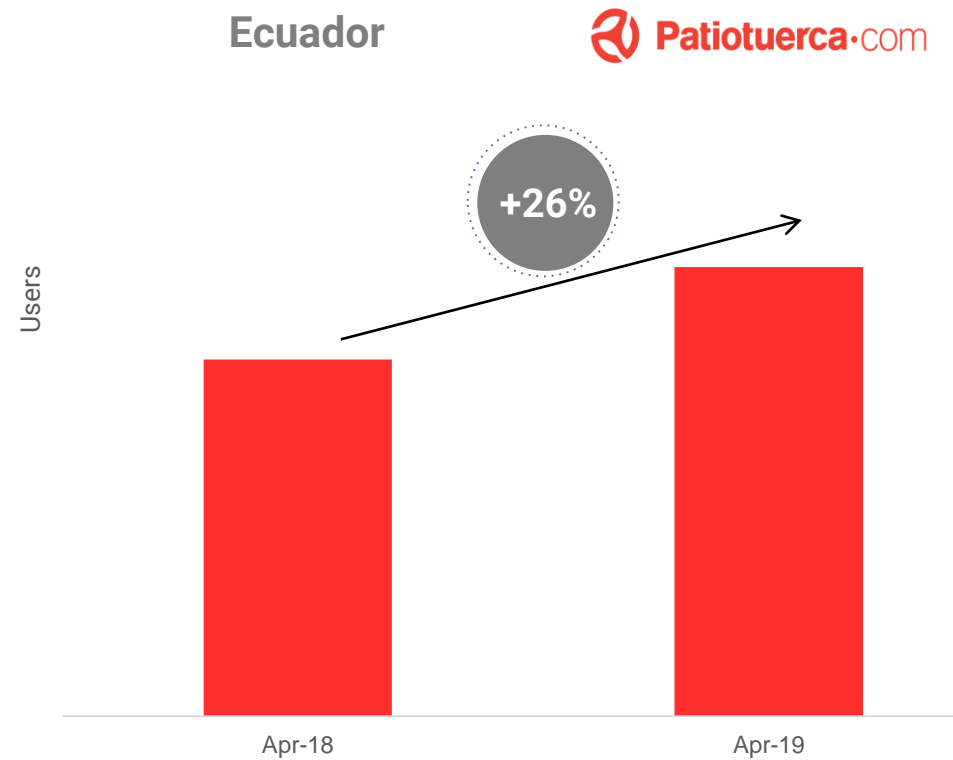
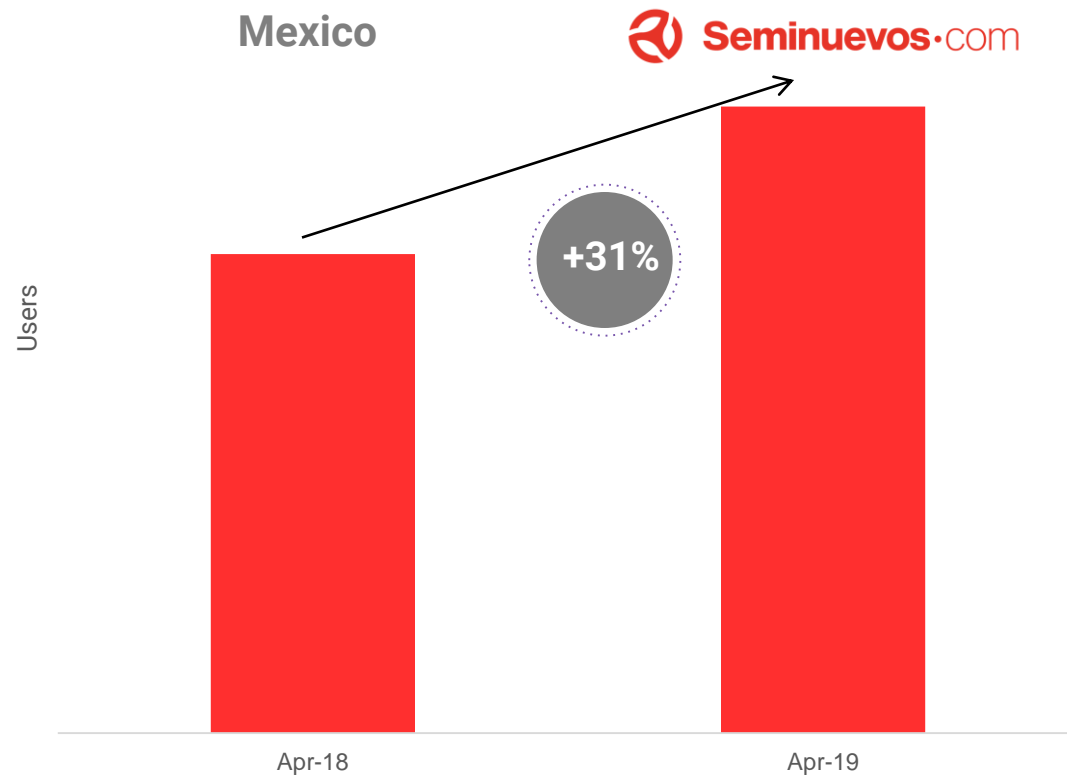
- Internet penetration in Latin America expected to **accelerate from 50% toward 80% faster than the comparable Australian period**
 - Invention of smartphones will accelerate penetration due to lower cost barriers to entry
 - Latin American government policies are focused on increasing internet penetration
 - Global technologies supporting internet roll-out (satellite, fibre optics) have greatly improved and been made more efficient
 - An increasingly digitised global economy will force uptake for expanding Latin American businesses
- Smartphone contract costs in Mexico have reduced materially over the last 18 months due to deregulation and competition from the incoming AT&T

1. Source: as of 2015 World Bank. For 2016, 2017 and 2018, Peru: Statista, Mexico: INEGI, Ecuador: MINTEL

Growth Driver #2 - Organic Traffic Growth



Organic Traffic Growth in Mexico and Ecuador¹



1. SEO traffic for Apr-18 compared to Apr-19, from Google Analytics

Growth Driver #3 – Substantial Lead Over Competition

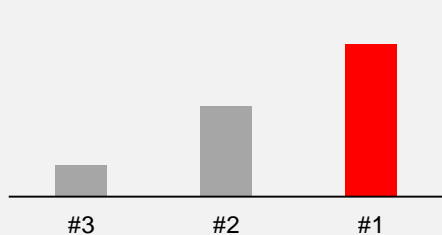


LAA has leading position over its competitors in both markets

Mexico

 **Seminuevos.com**

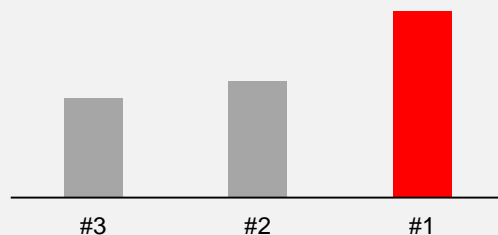
#1 Listings




Listings ('000)

 Seminuevos.com

#1 Traffic



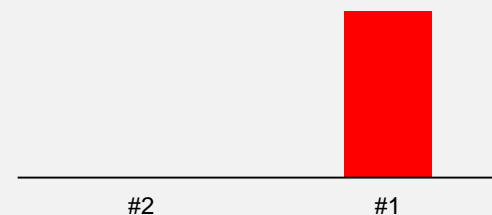
Monthly audience (m)

 Competitors


Ecuador

 **PatioTuerca.com**

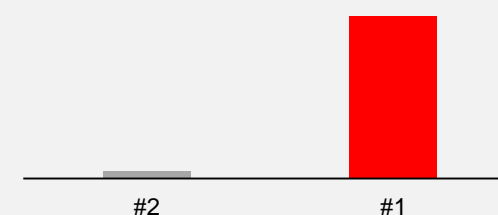
#1 Listings



Listings ('000)

 PatioTuerca.com

#1 Traffic



NOT MEANINGFUL
COMPETITORS

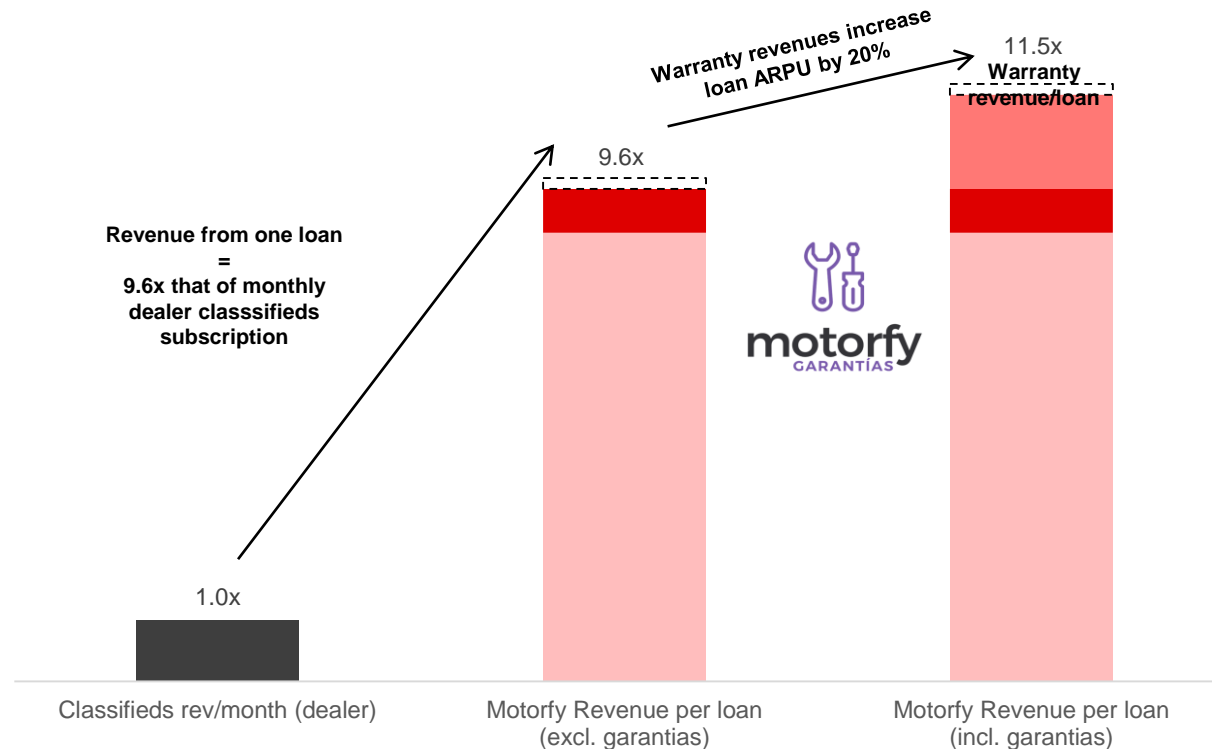
Source: Traffic as of May-2019, Similarweb.com. Similarweb.com third party service provider that provides estimates only (free + paid traffic), actual results may be significantly different to similarweb estimates. Listings as at May-2019 sourced from websites. Competitors defined as other dedicated auto classifieds companies

Growth Driver #4 - High Cross Sell Earnings Leverage



LAA is highly leveraged to high margin, fast-growing Cross Sell product sales, which in Mexico generate up to 11.5x the revenue of traditional dealer subscription revenue

LAA focusing its efforts on most profitable products



- LAA to focus on driving Cross Sell product sales in its core growth markets of Mexico and Ecuador
- Mexico is expected to be LAA's key growth driver
- Cross Sell Products made a substantial contribution to revenue growth in 2H18

1: Compares the average monthly cost of a dealer classifieds subscription package in Mexico, to the unit sale price of Cross Sell products

Growth Driver #5 - Significant Addressable Market



Large, youthful Mexican market

- Population of 125 million with 111 million smart phones
- 2.2 million people per year becoming licensed drivers
- More than half the population is under 30, median age of 27

Large car finance opportunity

- Estimated potential for 4 million new and used car loans per year in Mexico alone
- 1.6m new car sales , 67% of all new cars financed
- Estimated 6.4 million used car sales p.a. in Mexico, Motorfy used car finance a huge opportunity

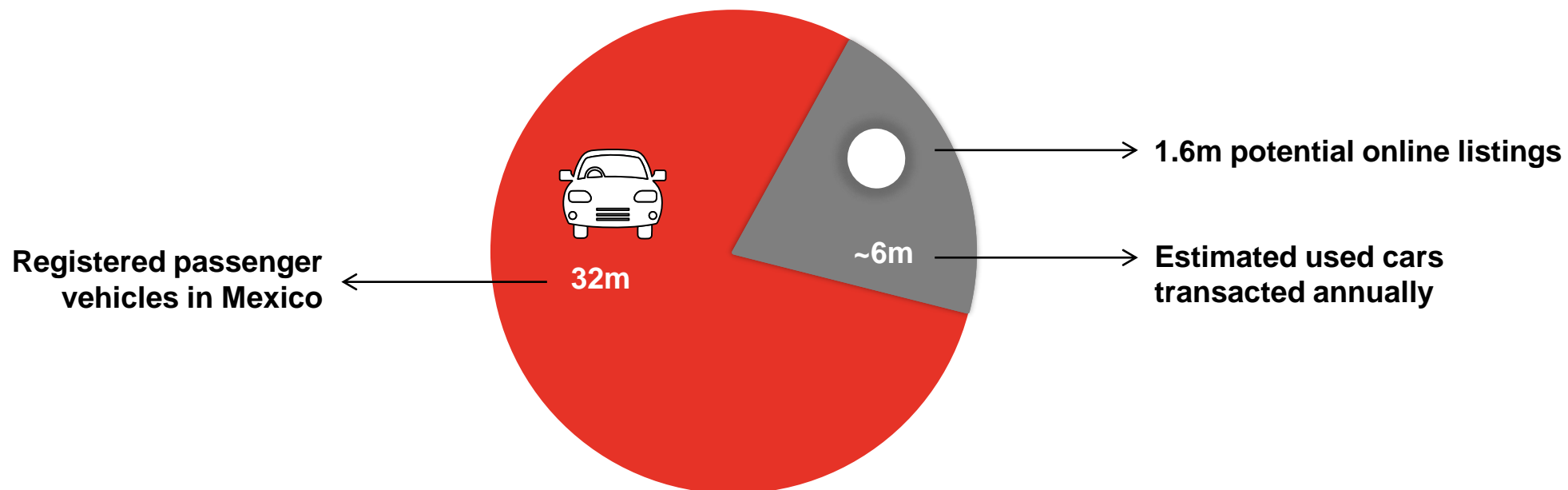
Undeveloped credit & insurance market

- Mexico credit and insurance penetration low compared to peers
- LAA is creating new finance products in conjunction with its funding partners. The traditional funding sources have been cash or consumer loans

Growth Driver #5 - Significant Addressable Market



Market Potential (Mexico)





High Revenue Growth

- FY18 revenues grew 63% in Mexico and 17% in Ecuador (vs previous corresponding period in constant currency)
- Mexico: majority of growth came from Cross Sell products and growth in classifieds driven by increased dealer revenues
- Ecuador: growth in Ecuador driven equally by classifieds and Cross Sell products

Reduction in net cash outflows

- Working capital and cashflows substantially improved due to higher proportion of Cross Sell revenues
- Reduction of 31% in overall group net operating cash outflows¹ versus pcp
- EBITDA (from continued operations excluding share based payments) improved 13% vs pcp
- Growth in Cross Sell products is a key driver to reaching operational cashflow positive

Cross Sell product growth

- Motorfy is Mexico's leading Vehicle Transaction Marketplace, providing a range of Vehicle Finance and Vehicle Support Products
- Since we launched Motorfy in March 2017, cash receipts from Mexico and Ecuador have grown 111% (1Q19 vs 1Q17) and net cash used in operating activities has declined 37%
- In 2018, revenues from cross sell products grew 145% versus 2017 (536% in Mexico alone)

New growth options

- 2018 growth was driven primarily by sales of one loan product (near prime, used car finance), now the company has access to several loan products
- Prime used car finance is a new growth category, with the company recently announcing the signing of a contract with FinBe to provide the first prime loans on the Motorfy platform

Large Addressable Market

- LAA is providing a range of Cross Sell products to service the ~6.4 million used car transactions p.a. in Mexico
- Historically, used car buyers in Mexico have not had secured used car finance products readily available and have relied on cash or higher rate personal loans



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