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LATAMAUTOS

1H18 Results Presentation

August 2018

#1 Online Auto Classifieds platform in Mexico, Ecuador & Peru
#1 Vehicle Transaction Marketplace in Mexico & Ecuador

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Executive Summary

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Revenue Growth

- **1H18 revenues grew 72% in Mexico and 20% 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

Visible path to operating cashflow break even

- Working capital and **cashflows substantially improved due to higher proportion of Cross Sell revenues**
- Reduction of 47% in overall group net operating cash outflows[1] versus pcp
- EBITDA (from continued operations excluding share based payments) improved 13% vs pcp
- Reaffirms expectations of Group operating cash positive by end of calendar year 2018

Leading Vehicle Transaction Marketplace

- Motorfy is Mexico's leading Vehicle Transaction Marketplace, providing a range of Vehicle Finance and Vehicle Support Products
- **Monthly annualized revenues from Cross Sell products reached A$3.4 million** in Jul-18 after only 18 months since initial launch (only 12 months in Mexico)

Multiple Growth Options

- Growth in the Motorfy platform has been achieved using only one loan product, that addresses a small minority of the credit profiles of the 1,000+ monthly applications
- **Currently negotiating with several banks to launch new loan products which will service existing unmet demand**

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 available and have relied on cash or higher rate personal loans

Note 1: 1H17 included impacts from discontinued Argentina and Panama operations

Key Investment Considerations

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Market

Significant addressable market

- Mexico's 125m population, over 5x Australia and presents a revenue opportunity for LAA of ~A$800m[1]
- It is estimated that there are ~6.4 million used car sales each year in Mexico alone[2]

Strong revenue growth outlook

- Increasing internet penetration and regional GDP per capita growth driving rapid growth of the Latin American auto-classifieds industry
- Strong revenue growth momentum driven by:
  - Strong sales momentum in high margin Cross Sell products
  - ARPU increases from addition of new products
  - Agreements with five car dealer associations in Mexico as potential customers

Leading market positions

- First mover advantage, leading market positions and high entry barriers in key geographies
- Number 1 dedicated online auto classifieds platform in Mexico and Ecuador

Company

Visible path to breakeven cash flows

- Mix of cost reduction and revenue growth (growth in core classifieds and Cross Sell revenues) has accelerated path to cash breakeven
  - Mexico and Ecuador being managed for cashflow growth
  - Peru currently approximately cashflow breakeven

Positive leading indicators point to strong outlook

- Rapid growth of Motorfy product sales, especially in Mexico (total annualised monthly revenues at $3.4m after 18 months since launch)
- Record organic online traffic growth of +40% (Mexico) in 1H18 compared to 1H17
- Partnerships with dealer associations driving new dealer customer numbers

Leveraged to fast growing, high margin Cross Sell products

- +60% quarterly growth in Cross Sell product unit volumes since 1Q18
- Outlook is strong, as existing dealers increase take-up rates and new dealers sign onto the LAA platform
- Motorfy products are high margin

1. Source: Calculated as 25% of all used car loans in Mexico (equivalent to Yixin China's market share of used car loans) 2. Management estimates using a 4 – 1 ratio of used car sales to new car sales

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PART A: 1H18 Results Overview

Cross Sell Product Revenues Have Accelerated in 3Q18

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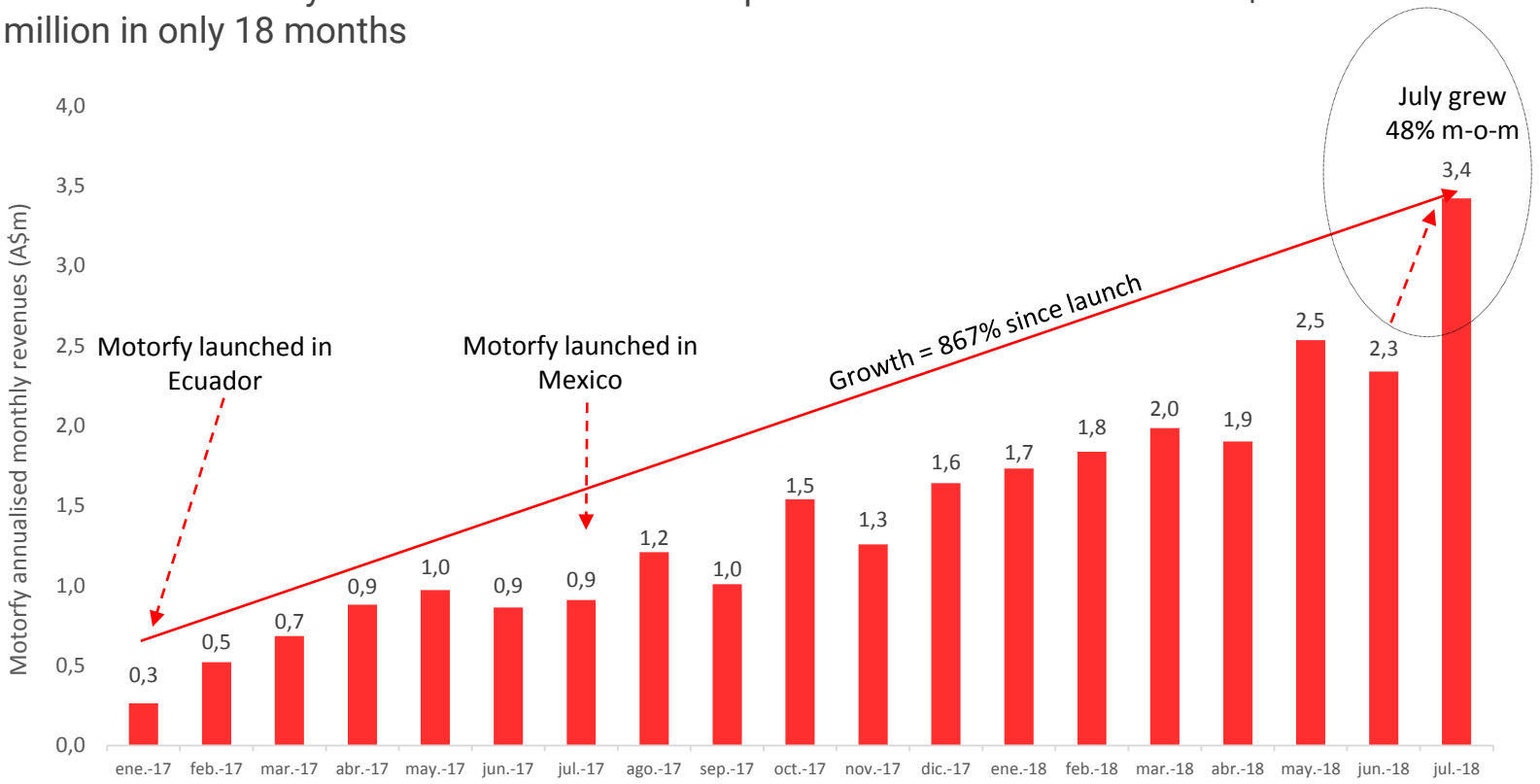
Annualised monthly revenues from Cross Sell products alone have reached A$3.4 million in only 18 months



1. MXN/AUD for 2017 is 15.15 and 2018 is 15.05, 2. USD/AUD for 2017 is 0.7508 and 2018 is 0.7605

- Motorfy Loans make up over **60%** of total revenue of Cross Sell products as at Jul-18
- Over **70%** of Cross Sell revenue generated from Mexican market
- Highlights significant upside opportunity of new loan products on the platform
- **LAA** to launch new products on the platform within the coming quarter

Financial Highlights

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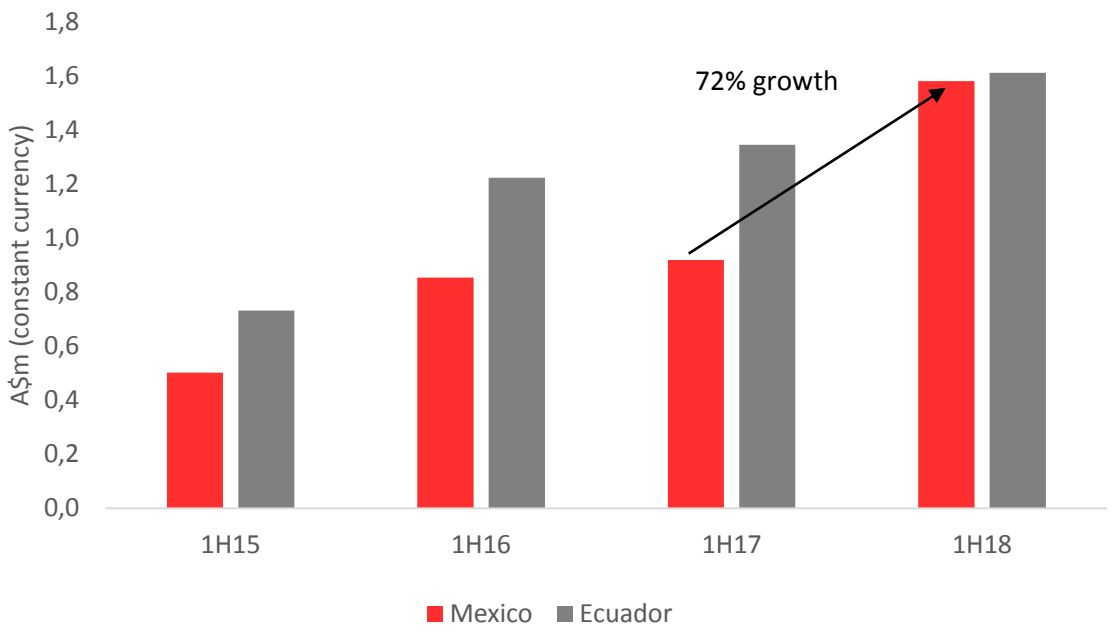
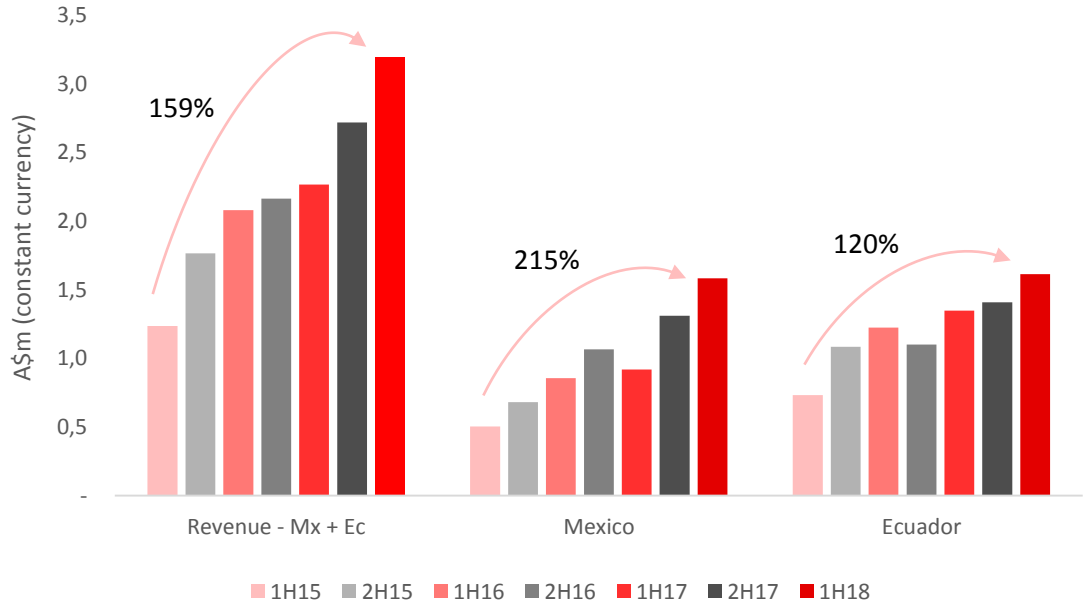
1H revenues since IPO (A$m, constant currency)



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



1. Constant currency MXN/AUD is 15.05. 2. Constant currency USD/AUD for 2017 is 0.7605

- LAA's core markets of Mexico and Ecuador have grown consistently since IPO
- Positive outlook for 2H18, July Cross Sell revenues grew 40% compared to June, and total Mexican revenues were +116% compared to pcp

Financial Highlights

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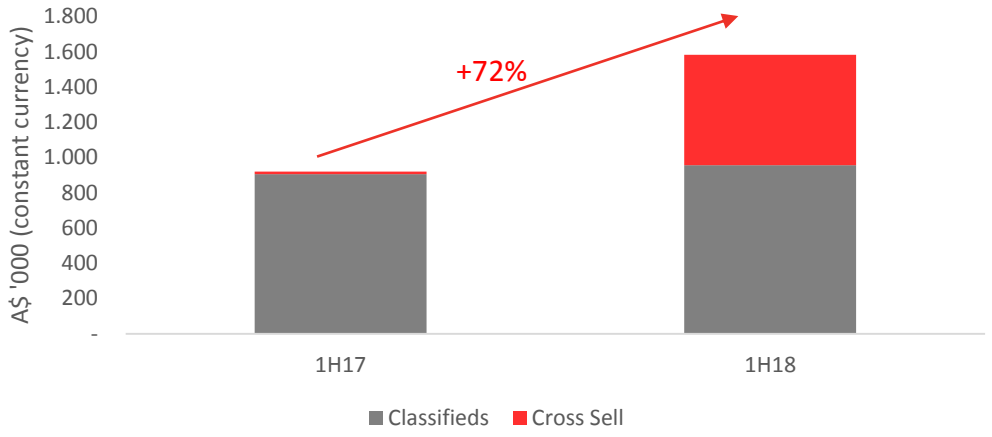
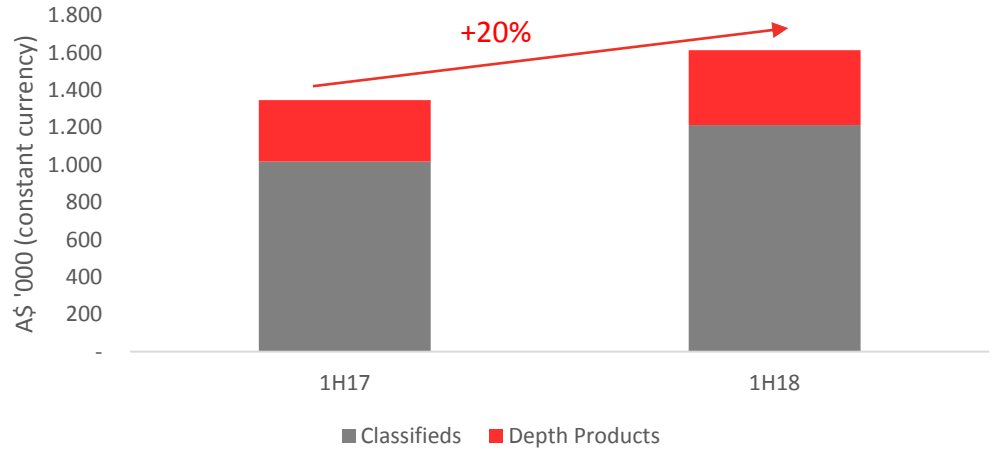
Mexico pcp growth



Ecuador pcp growth



CROSS SELL REVENUES ARE GROWING QUICKLY

- Motorfy Cross Sell launched in Jan 2017
- Cross Sell revenues comprised 30% total 1H18 revenues
- Management expects ongoing growth in Cross Sell revenues

1. Constant currency MXN/AUD is 15.05. 2. Constant currency USD/AUD for 2017 is 0.7605

Financial Highlights

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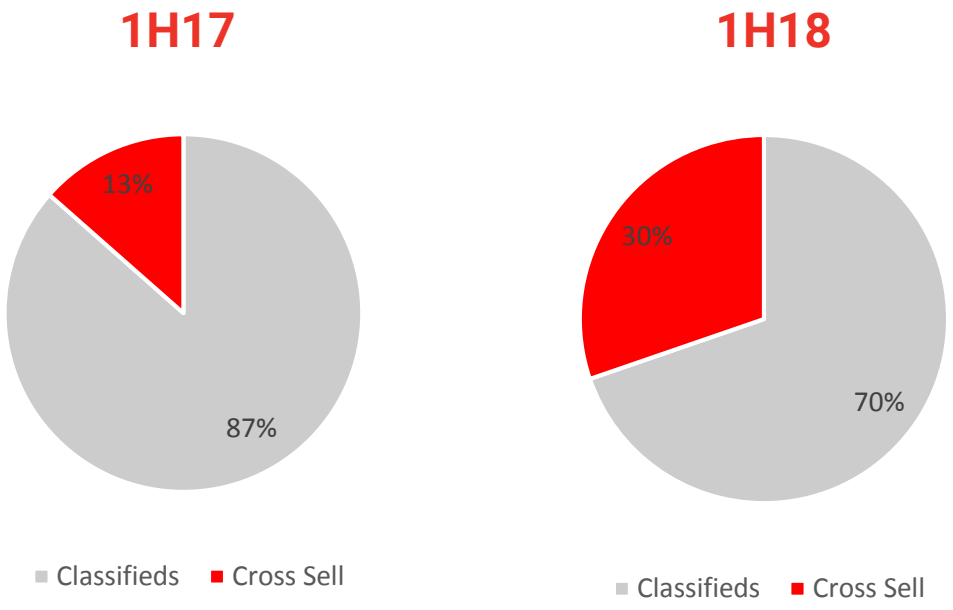
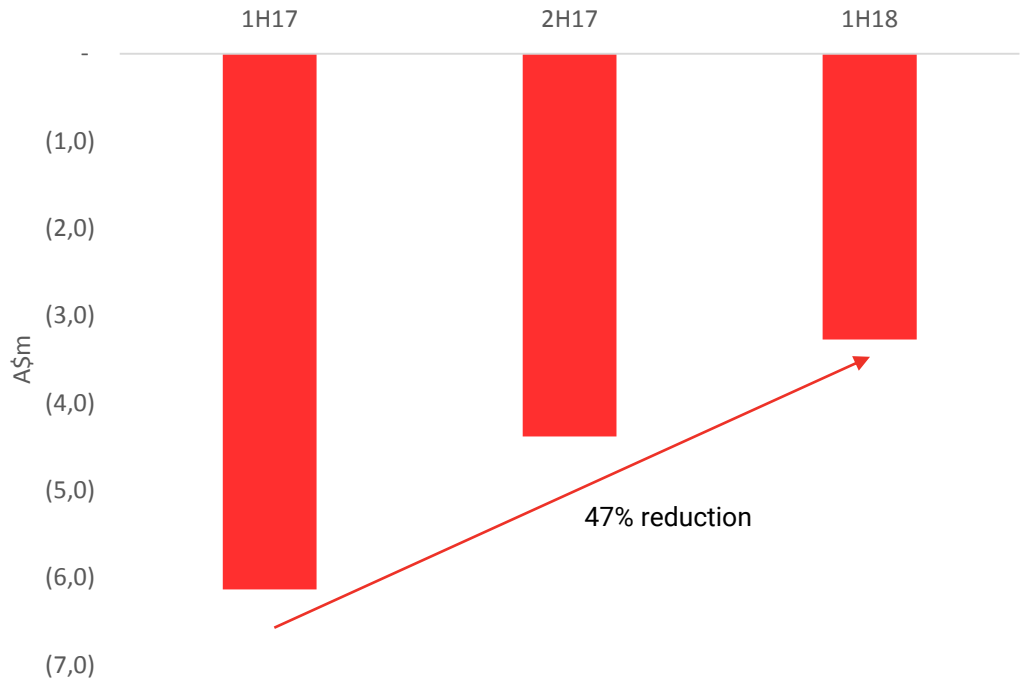
Revenue by Product



- Evolution of the LAA business model has translated into meaningful revenue contribution from Cross Sell products to overall revenues
- Management expects this trend to continue

Net operating cash outflows



- Net operating cash outflows have improved substantially since 1H17[1], highlighting the benefits of the Company's decision to focus on core markets of Mexico and Ecuador
- Net operating cash flows above include Argentina, which was effecively closed in 1H17
- Net operating cash flows above defined as cash receipts, less operational outflows, less capex excluding one-off outflows

1. 1H17 cash outflows impacted by discontinued operations in Argentina and Panama

Reconciliation to Statutory Accounts

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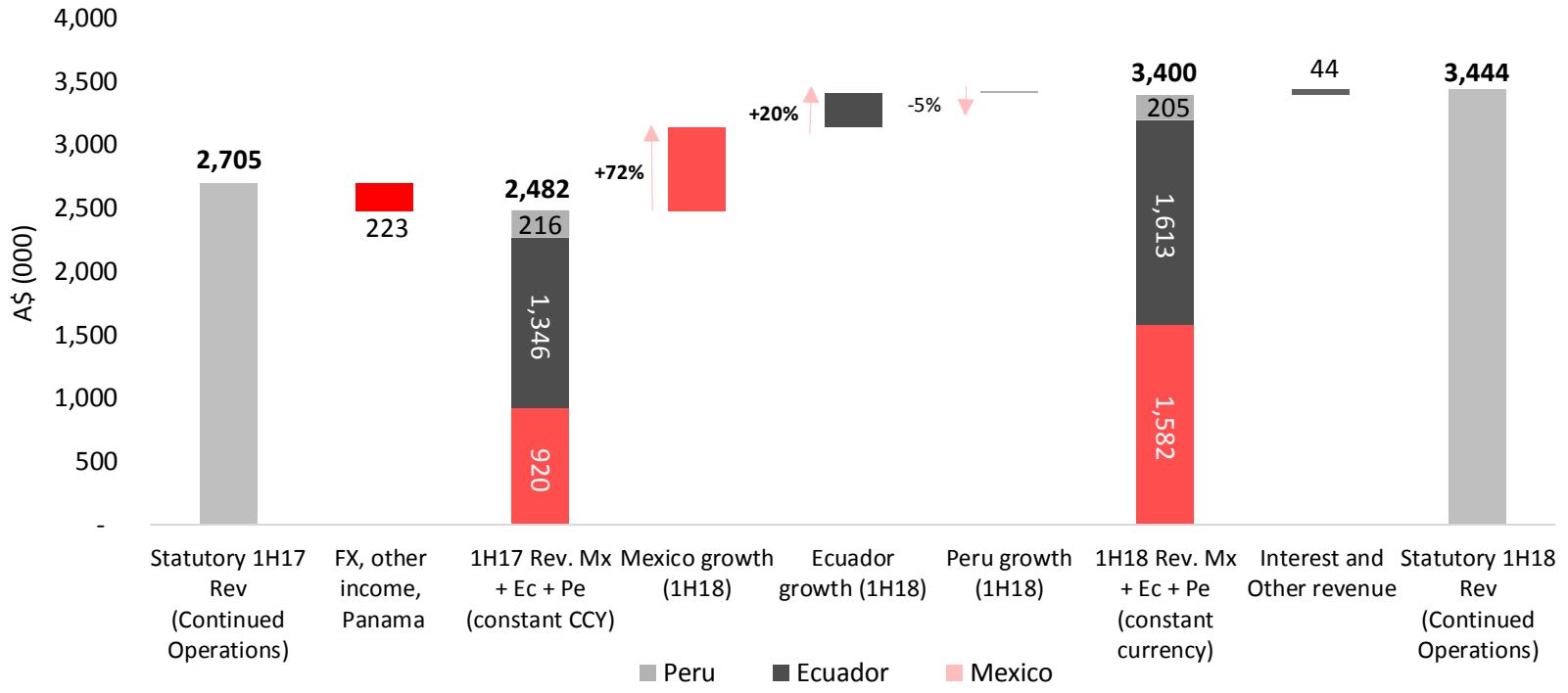
1H18 revenue growth versus PCP



- Constant currency growth in Mexico (72%) and Ecuador (20%)
- In April 2017, LAA restructured its business model to accelerate its path to operating cash positive. This involved closure of Argentina and Panama offices and launch of Vehicle Transaction Marketplaces in Mexico and Ecuador. Consequently, revenue growth trends focus on the Continuing Operations of Mexico and Ecuador
- Relevant exchange rates (constant currency) during 1H18 of AUDMXN 15.05 and AUDUSD 0.7605 are applied retrospectively to illustrate the impact of growth without any currency conversion impacts

Cross Sell Products - Profitability

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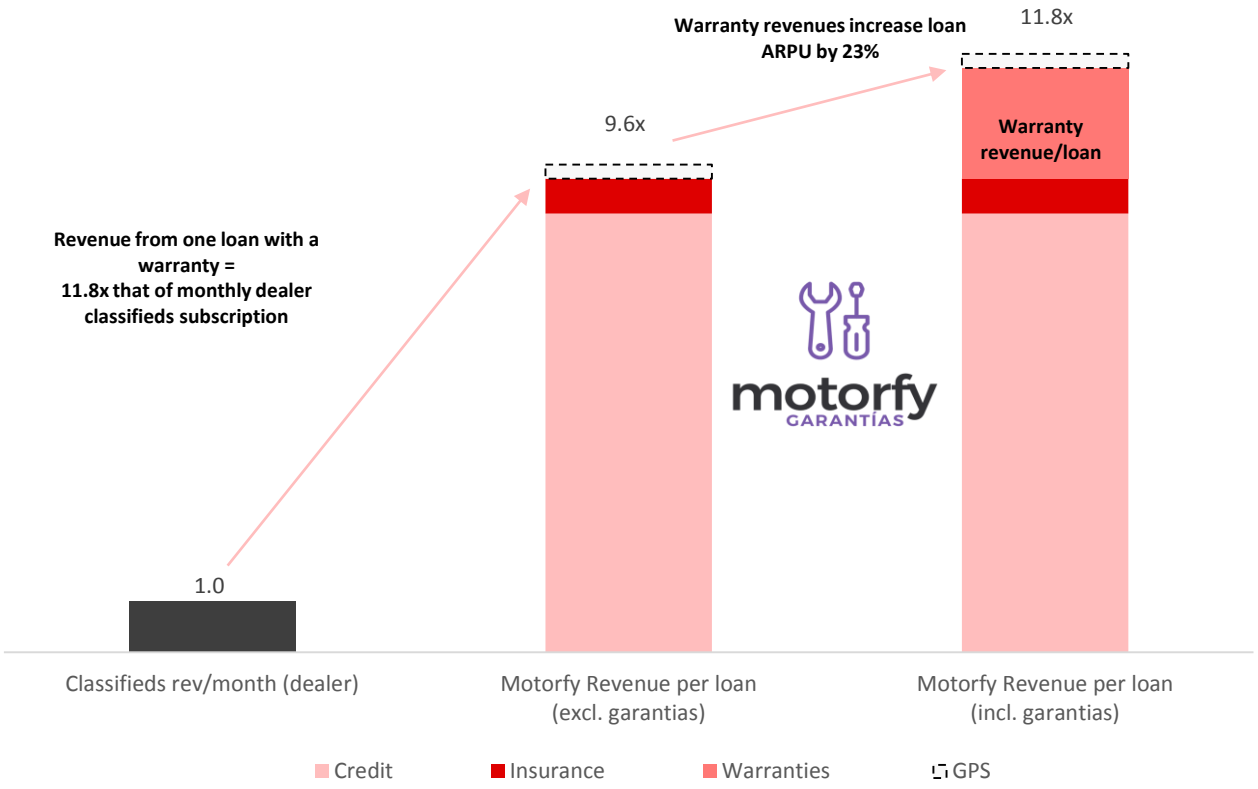
Attractive Unit Economics on Cross Sell Products



- 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
- Revenue generated per loan can generate up to 11.8x that of a monthly online classifieds dealer subscription package

Visible Path to Cashflow Breakeven

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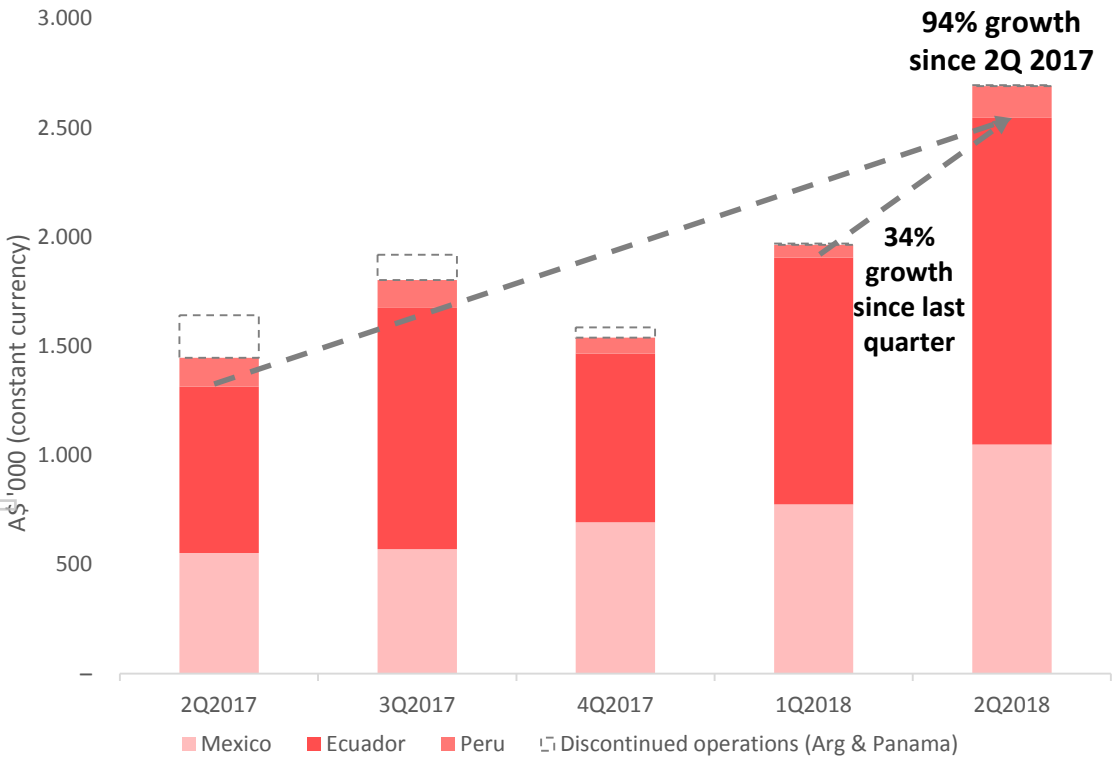
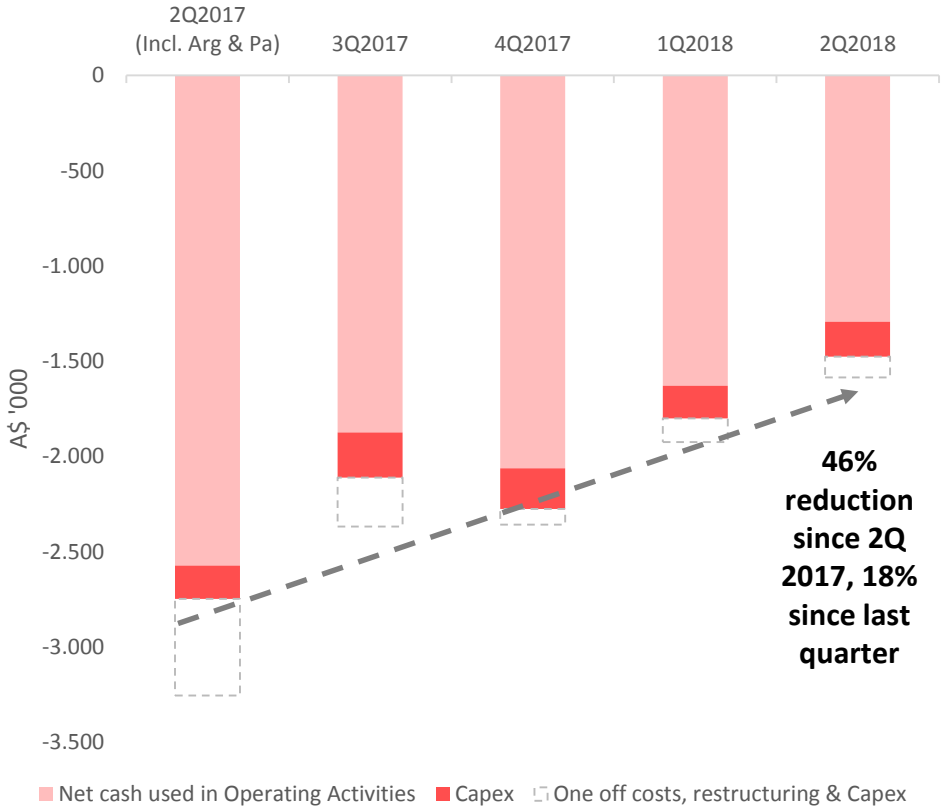
LAA has consistently reduced cash burn over the past 5 quarters, **on target to reach run rate break even by the end of 2018**

Quarterly cash inflows



Quarterly net cash outflows



1. Constant currency MXN/AUD is 15.05. 2. Constant currency USD/AUD for 2017 is 0.7605

Operational Highlights

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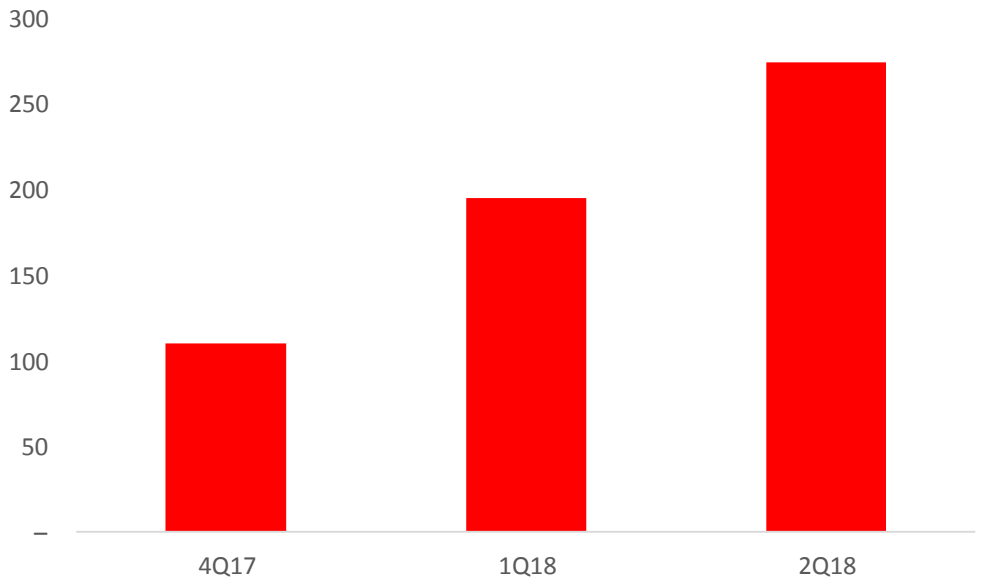
Active Dealers Using Motorfy in Mexico



- Consistent quarterly increases in total dealers using Motorfy product in Mexico
- Over $232 million of loans applied for since launch (includes dealer and online channels) in both Mexico and Ecuador
- Focus now on increasing conversion rates before wider dealer roll out
- Addition of new loan products expected to materially increase conversion rates

1. Constant currency MXN/AUD is 15.05. 2. Constant currency USD/AUD for 2017 is 0.7605

Financial Summary

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Income Statement – From Continuing Operations

AUDm	1H17	2H17	1H18	Change 1H18 v 1H17	Change 1H18 v 2H17
Revenue	**2.7**	**2.9**	**3.4**	**27%**	**20%**
Classifieds	2.3	2.2	2.4	6%	9%
Cross Sell	0.4	0.6	1.0	172%	59%
Other Revenue	0.1	0.0	0.0	-44%	7%
Opex*	**-7.3**	**-7.4**	**-7.4**	**2%**	**0%**
Cost of sales	-0.8	-1.0	-0.9	20%	-6%
Employment	-3.0	-2.9	-3.2	4%	10%
Marketing	-1.5	-1.6	-1.4	-7%	-14%
Other	-2.0	-1.9	-2.0	-1%	3%
EBITDA*	**-4.6**	**-4.6**	**-4.0**	**-13%**	**-12%**

- Figures are from Continuing Operations only, and do not include revenues or expenses from Argentina in either 1H17 or 1H18 and Panama in 1H2018
- Revenue growth for Mexico and Ecuador only were 41%, being 72% from Mexico and 20% from Ecuador, on a constant currency basis, that is using the same FX rates for 1H17 as 1H18 (see page 10 for reconciliation)
- Strong revenue increase despite maintaining Opex at the same level as last year

- Opex and EBITDA excluding share-based payments. Share-based payments where A$0.3m, A$0.2m and A$0.7m in 1H17, 2H17 and 1H18 respectively

Financial Summary

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Cash Flow Statement

AUDm	1H17	2H17	1H18	Change 1H18 v 1H17	Change 1H18 v 2H17
Cash flows from operating activities					
Cash receipts	3.5	3.5	4.6	31%	31%
Cash outflows from operations	-9.0	-7.4	-7.5	-17%	1%
One-off outflows from operations	-0.6	-0.3	-0.2	-63%	-25%
Net cash used in operating activities	**-6.1**	**-4.2**	**-3.1**	**-49%**	**-26%**
Net cash used in investing activities	**-0.6**	**-0.5**	**-0.4**	**-30%**	**-9%**
Net cash used in financing activities	**3.2**	**10.4**	**2.5**	**-23%**	**-76%**
Cash at the end of the period	**1.3**	**6.8**	**5.7**	**320%**	**-17%**

- Cash receipts increasing substantially notwithstanding Argentina and Panama businesses were not operational in 1H18
- Cash receipts from Mexico and Ecuador increased by 75% and 84% between 1H17 and 1H18 in local currency
- Net cash used in operations improved substantially as the Company approaches breakeven
- Cash flows on this slide include Argentina, which was effecively closed in 1H17

Financial Summary

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Balance Sheet

AUDm	1H17	2H17	1H18
Current assets	**5.9**	**11.2**	**9.1**
Cash	1.3	6.8	5.7
Recievables	4.1	4.1	3.2
Other	0.4	0.3	0.3
Non-current assets	**24.3**	**22.7**	**24.4**
Intangibles	23.4	21.8	22.5
Other	1.0	0.9	1.9
Total assets	**30.2**	**33.9**	**33.5**
Current liabilities	**4.3**	**4.4**	**5.1**
Payables	2.7	3.1	3.9
Other	1.7	1.3	1.2
Non-current liabilities	**3.6**	**10.0**	**10.6**
Convertible note	2.7	9.1	9,8
Other	0.9	0.8	0.8
Total liabilities	**8.0**	**14.4**	**15.6**
Total equity	**22.3**	**19.5**	**17.9**

- Cash balance of $5.7m due to the Company consistently having the best quarters of cash performance in its history
- The Company has the potential to receive an additional $8.7m in funding in the event that all outstanding options are exercised. A number of options have already been exercised
- Increase in value of Convertible note due to capitalization of interest

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PART B: Business Overview

LAA - Leading Vehicle Transaction Marketplace

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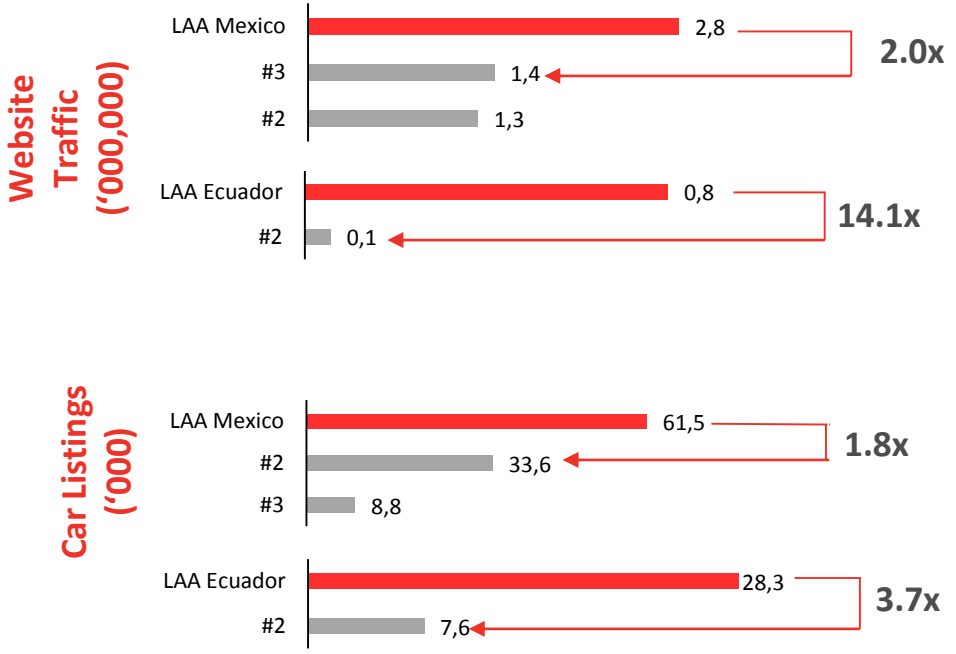
After successfully developing its position as the leading dedicated online auto classifieds platform in Mexico and Ecuador, Latam Autos has now become a complete vehicle transaction marketplace

MEXICO AND ECUADOR FOCUS [1]

LEADING MARKET POSITIONS [2, 3]



1. Revenue by country percentage estimated 2018. 2. Traffic source: Similarweb.com, traffic (organic and paid) as of Jun-2018. Similarweb.com is a third party service provider that provides estimates only, actual results may be significantly different to similarweb estimates. 3. Listings for competitors from each website as at Jun-2018

Motorfy - LAA's Vehicle Transaction Marketplace App

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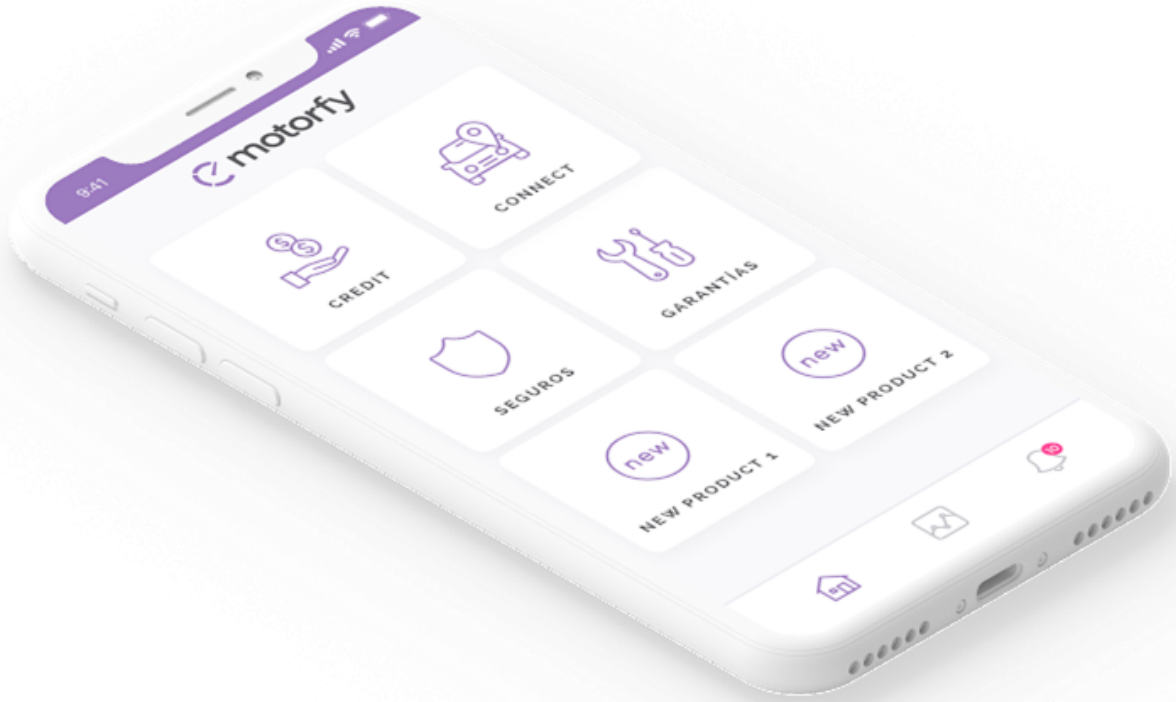
OVERVIEW

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



Two Types of Cross Sell Products: Vehicle Finance and Vehicle Products

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VEHICLE TRANSACTION MARKETPLACE

LAA is executing the 3rd stage of its strategy:

- **Stage 1** – Acquiring cornerstone businesses
- **Stage 2** – Building leading market positions

Stage 3: VEHICLE TRANSACTION MARKETPLACE

CROSS SELL PRODUCTS (MOTORFY):

VEHICLE FINANCE

1. Current loan product
2. Others to come

VEHICLE PRODUCTS

1. Insurance
2. GPS tracking
3. Used car extended warranties
4. Others to come

Motorfy – Product Partners Overview

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Vehicle Finance Products	Partner	Description
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	TBD	LAA currently in negotiations with a range of non-conforming loans providers to be onboarded soon
Other	TBD	

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 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.

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PART C: Key Growth Drivers

Growth Driver #1 - Rising Internet Penetration

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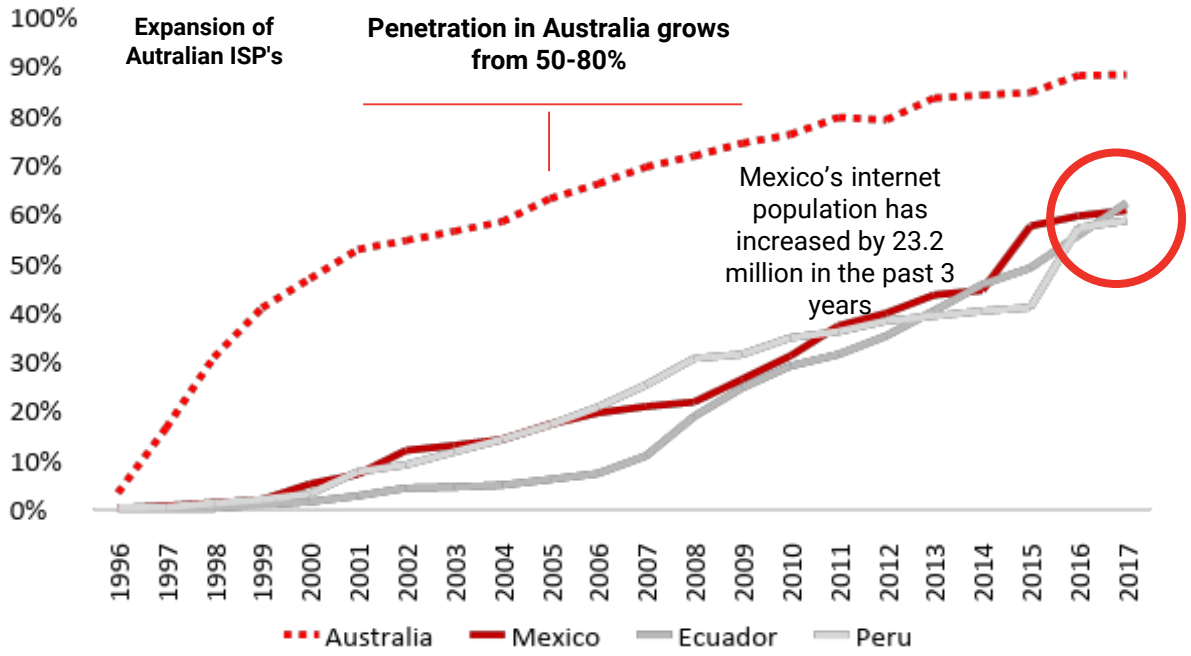
Average internet penetration in LatAm Autos key markets c. 60% in 2017 and growing rapidly toward Australia's internet penetration of 88% the populations

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 and 2017, Peru: Statista, Mexico: INEGI, Ecuador: MINTEL

Growth Driver #2 - Organic Traffic Growth

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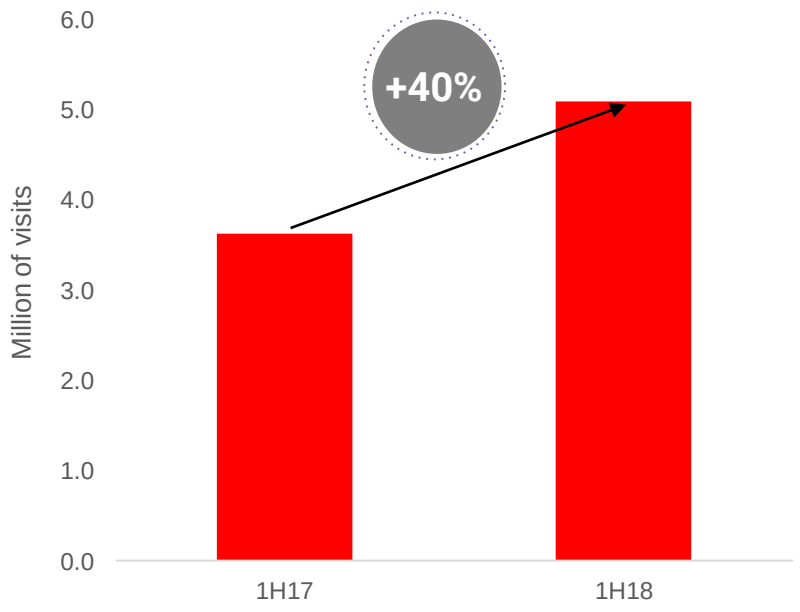
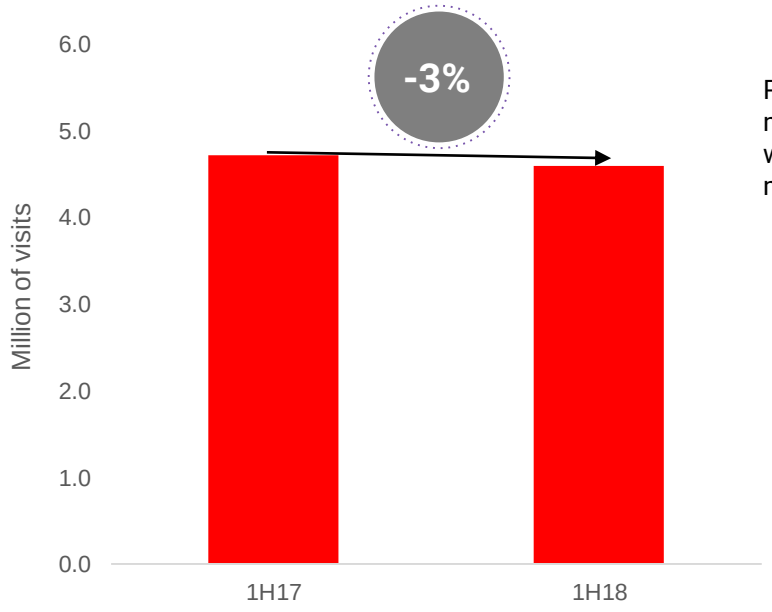
Organic growth has grown significantly in Mexico, benefitting from an effective SEO growth strategy

Organic Traffic Growth in Mexico and Ecuador[1]

Mexico Seminuevos.com



Ecuador Patiotuerca.com



Patiotuerca has a mature business with dominant market position

1. SEO & Direct traffic for 1Q17 compared to 1Q18 , from Google Analytics

Growth Driver #3 – Substantial Lead Over Competition

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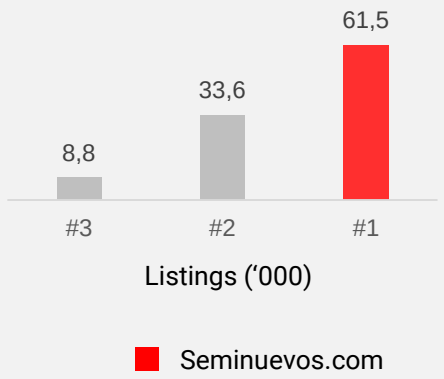
LAA has leading position over its competitors in both markets

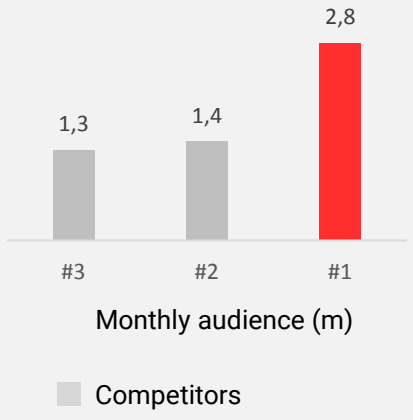
Mexico

Seminuevos.com

#1 Listings



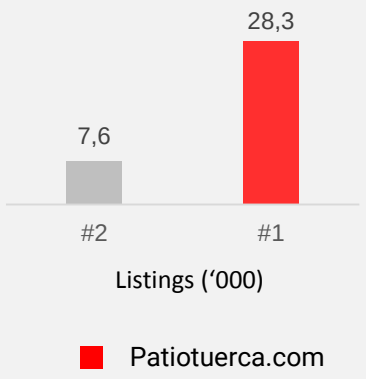
#1 Traffic



Ecuador

Patiotuerca.com

#1 Listings



#1 Traffic

Source: Traffic as of Jun-2018, Similarweb.com. Similarweb.com third party service provider that provides estimates only, actual results may be significantly different to similarweb estimates. Listings as at Jun-2018 sourced from websites. Competitors defined as other dedicated auto classifieds companies

Growth Driver #4 - High Cross Sell Earnings Leverage

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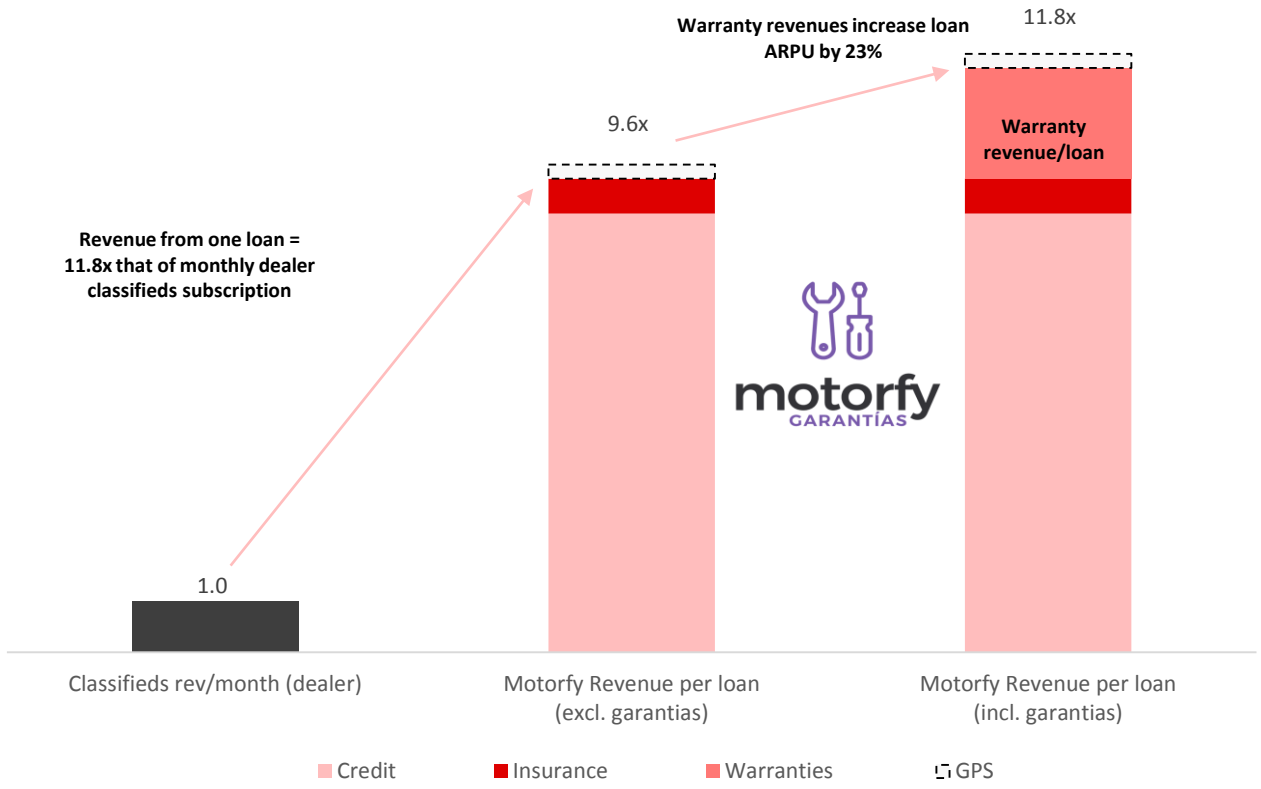
LAA is highly leveraged to high margin, fast–growing Cross Sell product sales, which in Mexico generate up to 11.8x the revenue of traditional dealer subscription revenue

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 expected to make a substantial contribution to revenue growth and EBITDA improvement 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 – Motorfy Dealer Uptake

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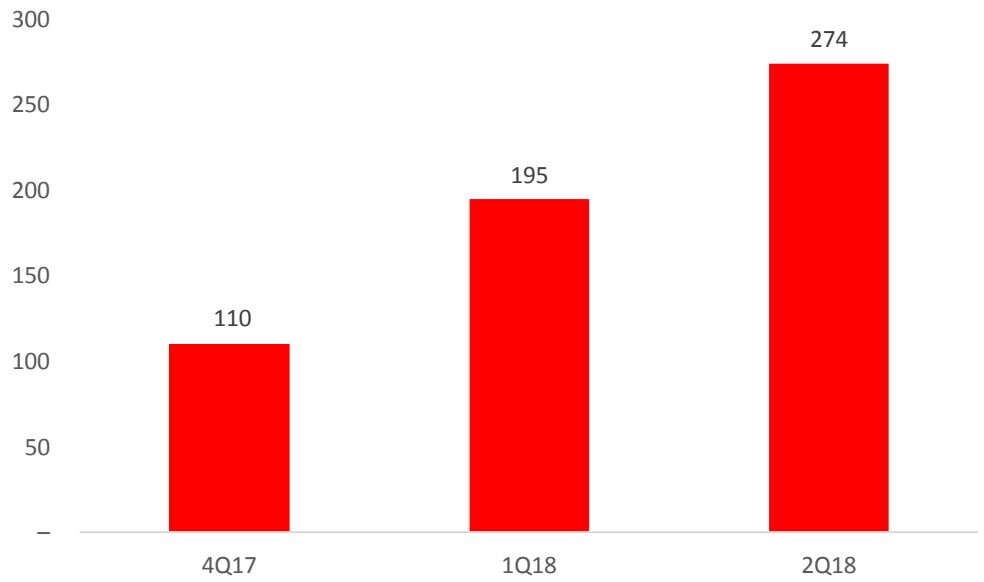
Motorfy has been launched to selected dealer customers, with wider roll out occurring during 2018

Current dealers using Motorfy



Products on Motorfy Platform

Vehicle Finance Products	Vehicle Value-Add Products
Prime credit, secured, used cars	GPS Tracking
Near-prime credit, secured, used cars	Insurance
Non-conforming loans, secured, used cars	Extended Warranty Insurance

Growth Driver #6 - Significant Addressable Market

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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

Outlook

- ~275 car dealers currently using Motorfy platform and growing
- Expect ongoing growth in total dealers using Motorfy and number of loans per month per dealer (both increased 177% and 27% respectively since 4Q17)
- Estimated 6.4 million used car transactions p.a. in Mexico alone

Outlook

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New Vehicle Finance Product Releases

- New Vehicle Finance products across the credit spectrum (Prime and Non-Conforming) to supplement existing Near-Prime loan product
- The Company could also add new loan categories including for additional vehicle types (ie. other than cars), for new cars (as opposed to the existing offering of only used cars) and for unsecured loans

New Vehicle Support Product Releases

- Expect new Vehicle Support Product Releases to supplement the existing offering of GPS tracking, insurance and extended warranty

Group Operating Cash Positive

- The Company reaffirms its expectation of reaching run rate Group Operating cash positive by the end of calendar year 2018